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Vol. 3

A PROGRESS
REPORT
ON
RECONDITIONING
PROJECT COSTS
AND BENEFITS
TO
DEVELOPER
CITY
&
TENANTS

REHABILITATION

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Boston Public Library

VOLUME III
JANUARY 1946

THE BOSTON CITY PLANNING BOARD

R E H A B I L I T A T I O N I N B O S T O N

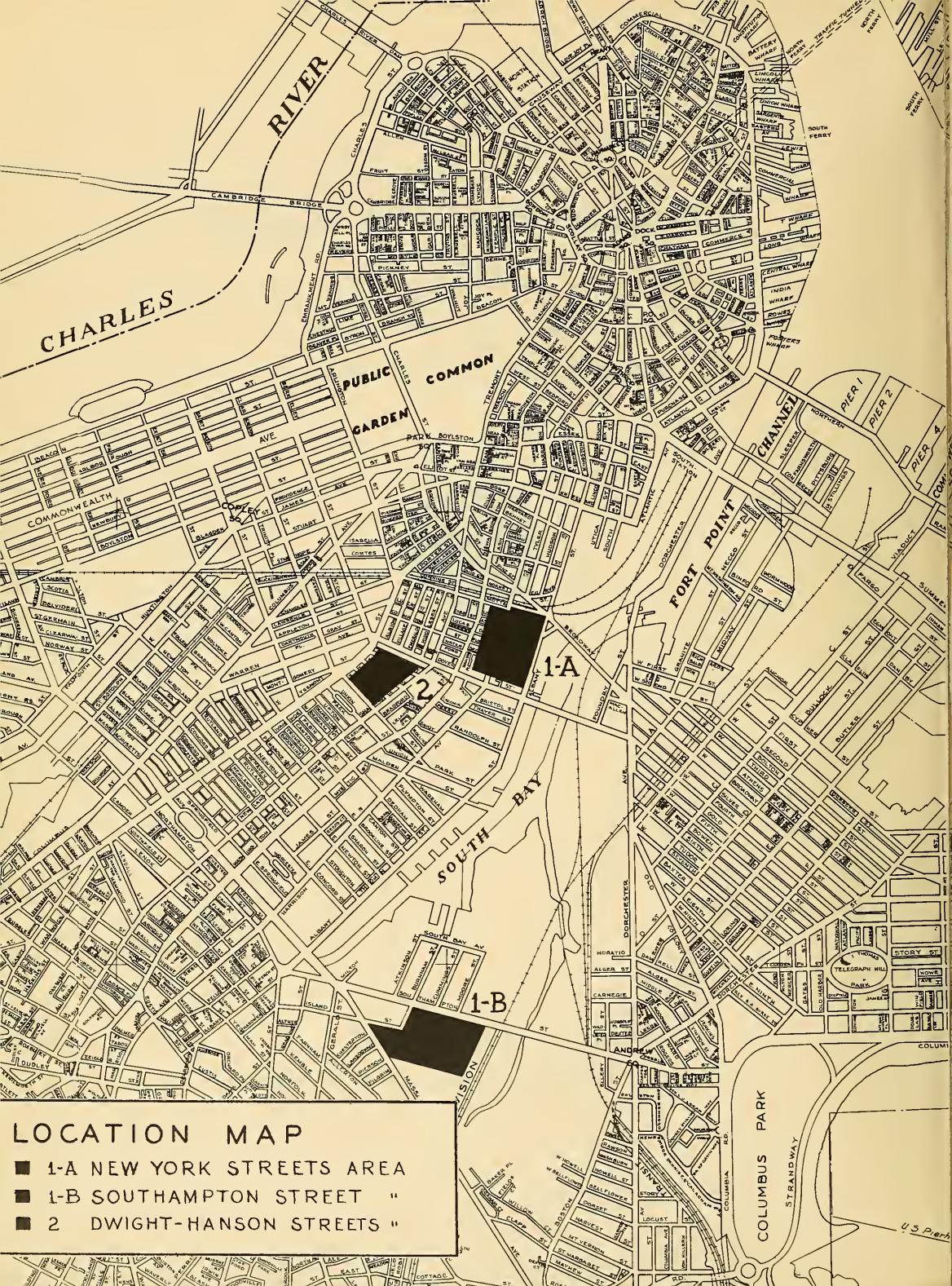
VOL. III

A P r o g r e s s R e p o r t
on
R e c o n d i t i o n i n g



J A N U A R Y 1 9 4 6

T H E C I T Y P L A N N I N G B O A R D



LOCATION MAP

- 1-A NEW YORK STREETS AREA
- 1-B SOUTHAMPTON STREET "
- 2 DWIGHT-HANSON STREETS "



OFFICE OF
THE CITY PLANNING BOARD

43 City Hall

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January 15, 1946.

Honorable James M. Curley,
Mayor of Boston,
Boston, Massachusetts

Dear Sir:

We beg to transmit herewith a progress report covering the activities of this Department since June 11, 1943, the date of our previous report, in continuing the rehabilitation studies begun in 1941 by direction of the then Mayor Tobin.

As in the previous work, the members of the Advisory Committee on Rehabilitation have given time generously and very creatively to this report, especially the Sub-Committee on Legislation which is composed as follows:

Henry V. Hubbard, Chairman, Planning Consultant,
(Boston Society of Landscape
Architects)
Sydney S. Dean, (New England Mutual Life In-
surance Co.)
George W. Judkins, (Massachusetts Real Estate Exchange)
J. Reed Morss, (Savings Banks Association of
Massachusetts)
Calvin H. Yuill, (Housing Association of Metropolitan
formerly Boston, at present with the
U.N.R.R.A.)

Based on a study of actual conditions in the South End, our report of June 11, 1943, dealt in detail with the possibilities of the betterment of a

Honorable James M. Curley
Mayor of Boston

neighborhood by reconstruction. It showed the project's financial relations both to the City and to the redeveloping agency, and suggested appropriate facilitating legislation.

Similarly the present report deals with the possibilities of neighborhood rehabilitation by the reconditioning of existing structures, and discusses procedures and legislation to enable the City and the redeveloping agency to operate efficiently in producing this kind of betterment. "The Urban Redevelopment Corporation" law presented in the Appendix to this report was a result of careful discussion by representatives of the Boston City Planning Board with representatives of the Recess Commission on Rehabilitation and of the Massachusetts State Housing Board. It was submitted to the 1945 Legislature by the State Housing Board and was approved on July 23, 1945, as Chapter 654, "An Act to Authorize the Redevelopment of Decadent Areas by Housing Corporations".

The two reports mentioned above do not, of course, cover all the kinds of residential neighborhoods which might need rehabilitation, nor set forth all the kinds of procedure which might be applicable.

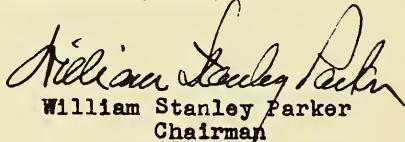
The study of those samples, however, if used to point up and clarify the more general information on the whole city, should be a considerable and neces-

Honorable James M. Curley
Mayor of Boston

sary aid in the working out of a sound city policy
in residential rehabilitation.

It should be borne in mind that the material
assembled and proposals advocated are presentations
in the report of the Consultant to the Board and do
not embody any particular recommendations of the
Planning Board as to the financial set-up, specific
site, or other matters.

Very truly yours,



William Stanley Parker
Chairman

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Frank H. Malley, former Executive Director;
 Gordon Woodberry and Frank Chouteau Brown,
 Planning Assistants, contributed largely
 to this report.

| | |
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| Henry V. Hubbard | Consultant |
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OFFICE OF
THE CITY PLANNING BOARD

43 City Hall
BOSTON 8, MASS.

ADVISORY COMMITTEE ON COMMUNITY REHABILITATION

December 15, 1945.

Mr. William Stanley Parker, Chairman,
City Planning Board,
43 City Hall,
Boston, Massachusetts

My dear Mr. Parker:

The Advisory Committee on Community Rehabilitation presents herewith a progress report covering the period of its operation from May 7th, 1943, to the present date.

The Committee suffered a serious loss in the death of its Chairman, Frederic H. Fay, on June 5th, 1944. Mr. Fay was widely known for his high order of professional ability combined with a deep personal interest in the future development and welfare of the community of which he was so vital a part. His passing was keenly felt throughout the New England Area.

As forecast in our previous report, the present study is concerned with the rehabilitation of a residential area by means of the reconditioning of existing structures and their surroundings. Though both studies involved the assembling of the land into one ownership and a single managing agency, the first study differed greatly in that the proposed project was to be almost wholly reconstructed.

Mr. William Stanley Parker, Chairman

This present study was presented to the Planning Board in first draft on April 1st, 1944. Its statements as to existing conditions were based on data then the latest available. Its suggestions and calculations of procedure in rehabilitation were based on the assumption that legislation would be enacted as jointly agreed upon in committee by the Planning Board and the State Board of Housing.

This legislation was finally passed on July 23rd, 1945, as appears in the appendix of this report, essentially in most respects as contemplated when this study was first presented.

It seems desirable that this report be now published as showing a procedure under this law and some of the probable consequences of such procedure.

As to the costs, however, it is obvious that even if they were in all respects accurate on the day when they were set down, they ceased to be in accordance with the facts, in varying degrees, immediately and always thereafter. It should be carefully borne in mind, however, that this present study is an investigation into a method of procedure and not a recommendation of a specific project to be carried out exactly as detailed. The conclusions as to costs must of course be modified when applied to future conditions, unknown when the study was prepared. The discussion of the interactions of the various elements of those costs is however, we believe, and is likely to remain for some time, of practical value.

Mr. William Stanley Parker, Chairman

The items of the present "sample study," which we submit herewith, in form parallel to that of the previous report for purposes of comparison, are principally the following:

1. A detailed presentation of the existing condition of a "sample area", namely what we have called the Dwight-Hanson Streets area, including a statement of the expenditures which the City now makes on account of the area and the payments which the City now receives from the area during a 12-month period.

2. A parallel presentation of the proposed condition of the area, both the outside setting of the buildings and their inside repair and reconditioning, including the procedure in keeping them in usable state for the remainder of their economic life thus extended.

3. A statement of the expenditures and receipts of a redevelopment corporation in bringing about and thereafter maintaining the proposed betterment.

4. A statement of what contribution to this betterment and its maintenance would be made by the City, in further construction or maintenance, or exertion of purchasing or regulative or taxing power.

5. A statement of the total annual expenditures on account of the area which the City would thereafter make, and the payments which the City would thereafter receive.

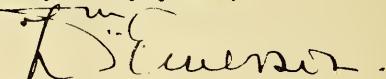
6. A statement of the recently enacted law on which the procedures discussed in this study are based, which

Mr. William Stanley Parker, Chairman

law, we believe, is in better form as it now stands in part on account of the efforts of those concerned with this and previous studies.

Although this report, together with the previous report, by no means presents all the information which might be valuable in determining in detail a policy of residential rehabilitation, still the Committee believes that both reports are fundamental in a broad approach to the city-wide problem. The Committee has in preparation a further study for the reconditioning of another area for apartment house occupancy.

Very truly yours,



William Emerson
Vice-Chairman

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R E H A B I L I T A T I O N I N B O S T O N

VOL. III

A PROGRESS REPORT ON RECONDITIONING

INTRODUCTION

Previous and Present Reports, Reconstruction and Reconditioning. In the 1941 report of the Advisory Committee on Community Rehabilitation, and again in the 1943 report, there are statements as to what the problem of rehabilitation really is, in its essentials; as to a group of considerations in approaching the problem in Boston which the Committee believes to be fundamental; and as to the advantages of using "sample areas", in coming efficiently to certain general conclusions. These background statements will not be repeated here.

The 1943 report dealt with an area in which the buildings on the whole were so far depreciated that the only efficient procedure was to tear them down, redesign the area, and build anew - better buildings in a better pattern.

This 1945 report deals with an area in which the buildings on the whole are worth saving, and seeks some procedure whereby betterment of the neighborhood and reconditioning of the buildings may be accomplished without an investment of money out of scale with the results, which at best can be only continuing for a further period the economic life of buildings which already have existed long enough for their owners to have amortized their first cost, - though they very seldom have done so!

In the present report the data of the U. S. Census of 1940 was available for the first time. Especially since some of the

terms used therein are different from those used in the 1930 Census, it seems desirable to set down here both the definition of these terms and also that of certain other terms used consistently in this present Committee report.

Definition of Terms used in the present report.

Dwelling Unit - The living quarters occupied by, or intended for occupancy by, one household.

A dwelling unit may be a detached house; or a tenement, flat or apartment in a larger building (apartment house, apartment hotel, section of a hotel devoted entirely to apartment rather than transient use); or a dwelling room in a structure used primarily for business or other non-residential purposes.

Size of Household - All persons enumerated as members of the household (including lodgers, servants, and other unrelated persons having no other usual place of residence) are counted in determining the number of persons that occupy each dwelling unit. The statistics on size of household, as presented in the 1940 U.S. Census and in this report, should be distinguished from the statistics on size of family as shown in the 1930 U. S. Census report since in the 1930 tabulation of size of families only related persons were included.

Population per occupied dwelling unit - Nevertheless the number of "occupied dwelling units" in 1940 is roughly comparable with the number of "private families" or "homes" shown in census reports for 1930, and these figures may therefore be used to indicate changes in family size.

Family - As stated above, only members related by blood or marriage are included in a family group.

Occupied Building - Includes buildings which are only partially occupied.

Vacant Building - A building entirely vacant.

Project Area - The area included within the limits of the proposed changes, as outlined on Plan A, not including the Play-ground or School.

"Dwight-Hanson Street Area" - In general the area in the immediate vicinity of these two streets.

Tract I-3 Area - The area within the limits of Census Tract I-3 as noted in the 1940 Federal Census Report, which has within its boundaries the Dwight-Hanson Street Area and the Project Area.

Gross Area of Project - The entire area within the boundaries of the project, irrespective of its use or ownership.

Net Taxable Area - The area remaining after deducting from the Gross Area the streets and all other public and private tax-exempt property. It is figured from the area of blocks listed in the City Assessors' Office.

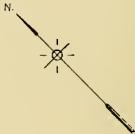
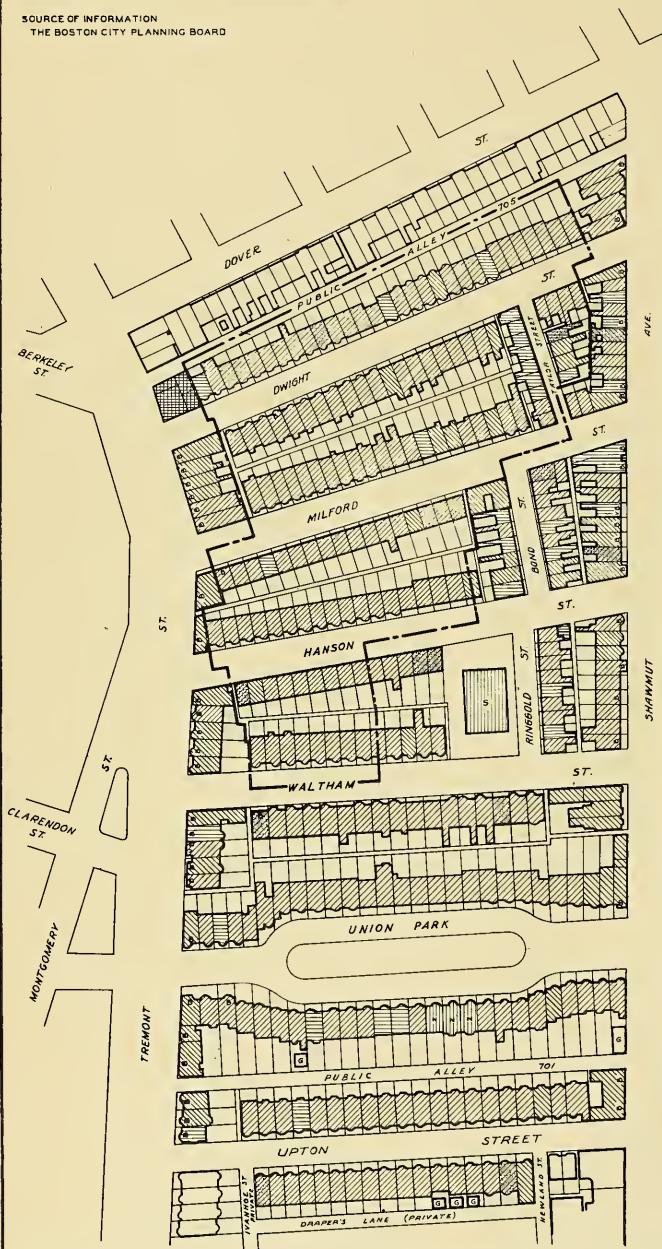
Net Residential Area - The area used for residence purposes only, not including as residential the pro-rated part of the area occupied by business under residence, but including adjoining areas to the center lines of private ways, though no part of streets or public alleys.

Population 1930 and Population 1940 are from the United States Census.

Population 1943 (1530 persons) is determined from the Police List of Residents (20 years' old and over) of January 1, 1943 (1342 persons); plus estimated adult population in buildings not included in Police List (41 persons); plus estimated children

SOURCE OF INFORMATION
THE BOSTON CITY PLANNING BOARD

MAP
1



LEGEND

- OPEN LAND
- VACANT BUILDINGS
- PUBLIC, RELIGIOUS, AND CHARITABLE
N NEIGHBORHOOD HOUSE
S SCHOOL
- GARAGES
- SINGLE FAMILIES
- APARTMENTS
- ROOMING HOUSES
- BUSINESS
- B BUSINESS UNDER RESIDENCE
- VB VACANT BUSINESS
UNDER RESIDENCE

— BOUNDARY OF PROJECT

CITY PLANNING BOARD

BOSTON - MASS

REHABILITATION STUDY

DWIGHT - HANSON ST. & UNION PARK AREAS

LAND USE
AS OF SEPT. 1943

SCALE

0 50 100 150

JANUARY 1944

(147), based on the 1935 Massachusetts census ratio of child population to adult population.

Assessed Values - Taken from the books in the Assessors' Office and from the books published by the Boston Real Estate Exchange. Streets are not assessed, "Tax Exempt" values are for land and buildings belonging to the City, or used for private charitable, educational or philanthropic purposes.

SAMPLE TRACT CHOSEN FOR RECONDITIONING.

THE DWIGHT-HANSON STREET AREA

The investigations of substandard conditions which revealed the completely run-down areas typified by the "New York Streets" area revealed also neighborhoods in which the substandard conditions were not primarily due to the deterioration or obsolescence of the structures. From these was chosen an area for further study as a site for a procedure in rehabilitation by reconditioning. This is referred to herein as the "Dwight-Hanson Street" area.

It is bounded on the north-east by Dover St., on the south-east by Shawmut Ave., on the south-west by Waltham St., and on the north-west by Tremont St. It is generally typical of many areas in Boston; it is of a reasonable size for a sample; sufficiently homogeneous; badly deteriorated as a neighborhood but with buildings still structurally sound; so located in relation to the rest of the city that its continuance in residential use at its present or a somewhat higher scale of rents would be a desirable and reasonable end to seek. Within this area was exactly delimited the "project area" to which all the exact calculations are referred.

PAST AND PRESENT CONDITIONS

Washington Street is the oldest thoroughfare in the neighborhood, having been built along the sand-bar which originally connected the peninsula of the early town with the mainland at Roxbury Heights. Practically no buildings constructed here prior to 1800 now exist. New land has gradually been made by filling to the north and south of Washington Street and most of the present structures were built between 1840 and 1875 or 1880.

During this time there was a brief tendency for the area north-west of Washington Street and north-east of Massachusetts Avenue to be built up as a fashionable residential district for the population which had previously occupied the South Boston area.

The dwellings in the Dwight-Hanson Street area were built in the last part of this period. They were not very pretentious because the more well-to-do families were already beginning their further migration to the Back Bay. Later development brought to the surroundings of the Dwight-Hanson Street area a mixed collection of buildings and uses which were from the first fated to a none-too-successful existence.

Between 1880 and 1940 many of these properties, in the Dwight-Hanson Street area as well as in the surrounding neighborhood, have changed hands many times and at constantly decreasing values. At present they cannot be sold for what most of their present owners paid for them as little as ten years ago, nor in many cases for the value at which they are now assessed for taxes.

Present Land Use

The various land uses are shown on Map 1. The proportions of

"Residence" and "Business and Industry" are shown in figures in Table I.

TABLE I
REHABILITATION STUDIES
USES AND VALUES OF LAND IN THE DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.
As of September 1, 1943.

| NOTE Figures in Square Feet Unless Otherwise Noted | PRIVATELY OWNED | | | | | | |
|--|--------------------------------|----------------------------|--------------------------------|----------------------------|-------------------|--------------------------------|----------------------------|
| | BUSINESS AND INDUSTRY | | RESIDENCE | | | BANK FORECLOSED | |
| | 626 = 0.2 % | | 190,681 = 70.4% | | | 0 | |
| KIND OF LAND USE | Lots With Oc- cupied Bldgs. | Lots With Vacant Bldgs. | Lots With Oc- cupied Bldgs. | Lots With Vacant Bldgs. | Private Alleys | Lots With Oc- cupied Bldgs. | Lots With Vacant Bldgs. |
| AREA | 626 | 0 | 178,604 | 5,126 | 6,951 | 0 | 0 |
| Percentage | 0.2 % | 0 | 65.9 % | 1.9 % | 2.6 % | 0 | 0 |
| TAX ASSESSMENT 1942 Land and Buildings | \$2,450 | | \$604,490 | \$15,500 | *0 | 0 | 0 |
| Percentage | 0.4 % | | 94.1 % | 2.4 % | | 0 | 0 |
| NOTE Figures in Square Feet Unless Otherwise Noted | OWNED BY CITY | | | | | SEMI-PUBLIC | TOTALS |
| | Not Taxed | | | | | Not Taxed | |
| | 79,682 = 29.4 % | | | | | 0 | 270,989 |
| KIND OF LAND USE | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| AREA | 74,006 | 0 | 0 | 5,676 | 0 | 0 | 270,989 |
| Percentage | 27.3 % | 0 | 0 | 2.1 % | 0 | 0 | 100 % |
| TAX ASSESSMENT 1942 Land and Buildings | 0 | 0 | 0 | \$19,800 | 0 | 0 | \$642,240 |
| Percentage | 0 | 0 | 0 | 3.1 % | 0 | 0 | 100 % |

* Included Under Abutting Lots

The presence of business uses on the first floor of buildings with two or three floors of residence above is a complicating factor in statistical presentation, as well as in land use, although in this project a very minor matter. The area figures in Column 1, 2, 3, 4, and 5 in Table I and Column 1 and 2 in Table II and "Net Residential Area" in Table III, have been arrived at by pro-rating the ground area of each lot according to the relative floor area of the two uses where business is under residence. The tax-assessed value figures in Table I for these two uses in the same building have been likewise approximated. In Table V, however, which deals with land assembly costs, the terms "Residence" and "Business and Industry" are used as applied by the Assessing Department, and "Residence" includes also business under residence.

Present Zoning

At present the Dwight-Hanson Street Project Area is zoned in two catagories. The greater portion of the Area is zoned for "general residence", with a height limitation of 80 feet. All of the lots along the northwesterly side of the project which fall within 100 feet of Tremont Street are classed as "general business", with a height limitation of 80 feet. The same classification and height limitation applies also to those lots along the southeasterly side of the project, except that the distance from Shawmut Avenue varies from 40 feet to 100 feet, the line of demarcation being along the center lines of the private alleys or along the rear or side lot lines where there are no private alleys.

Population Character

The U. S. Census figures for the Census Tract I-3, which includes the Project Area, are as follows:

| Year | Population | Acres | | Population Density | | |
|------|------------|-------|-------|--------------------|-------|-----|
| | | Gross | Net | Persons | Gross | Net |
| 1930 | 7147 | 44.35 | 27.38 | 161 | | |
| 1940 | 6322 | 44.35 | 27.38 | 143 | " | " |

The following tables show the trends in population for the Census Tract I-3:

Population by Races , - All Ages

| | 1930 | | 1940 | |
|--------------------|---------|---------|---------|---------|
| | Persons | Percent | Persons | Percent |
| Native White | 3841 | 53.7 | 3816 | 60.4 |
| Foreign Born White | 3071 | 43.0 | 2384 | 37.7 |
| Negro | 195 | 2.7 | 97 | 1.5 |
| Other Non-White | 40 | 0.6 | 25 | 0.4 |
| Total | 7147 | 100. | 6322 | 100. |

Children by Races, 19 years and under

| | 1930 | | | 1940 | | |
|--------------------|---------------|------------------------------------|-----------------------------|---------------|----------------------------------|-----------------------------|
| | Chil- dren | % of To- tal Popu- lation | % of Child Population | Chil- dren | % of Total Popula- tion | % of Child Population |
| Native White | 1187 | 16.6 | 88.9 | 1025 | 16.2 | 94.9 |
| Foreign Born White | 92 | 1.3 | 6.9 | 29 | 0.5 | 2.7 |
| Negro | 50 | 0.7 | 3.7 | 23 | 0.4 | 2.1 |
| Other Non-White | 7 | 0.1 | 0.5 | 3 | 0.05 | 0.3 |
| | 1336 | 18.7 | 100. | 1080 | 17.11 | 100. |

Country of Birth of the Foreign Born White

| | 1930 | | 1940 | |
|-------------------|---------|---------|---------|---------|
| | Persons | Percent | Persons | Percent |
| Canada | 680 | 22.1 | 431 | 18.1 |
| Ireland | 619 | 20.2 | 479 | 20.1 |
| Asia | 496 | 16.2 | 497 | 20.8 |
| Greece | 325 | 10.6 | 269 | 11.3 |
| England & Wales | 207 | 6.7 | 115 | 4.8 |
| Italy | 163 | 5.3 | 148 | 6.2 |
| Russia (U.S.S.R.) | 153 | 5.0 | 115 | 4.8 |
| All Other | 428 | 13.9 | 330 | 13.9 |
| Total | 3071 | 100. | 2384 | 100. |

Population Density

In 1935 the South End was the third most densely populated area in Boston. From 1930 to 1940 there was a 22% drop in population, but between these dates there was a peak about 1935. The estimated 1940 population density of the "Project Area" was 239 people per gross acre or 329 people per "net residential" acre. The present 1943 population density is 246 people per gross acre or 339 people per "net residential" acre (see Table III). This slight increase in population density between 1940 and 1943 is no doubt due principally to conditions brought about by the War.

It should be noted that the present (1943) population figure (1530) for the "Project Area" with which the proposed population figure (1506) is compared, is considerably less than the popula-

tion at its peak, which was prior to 1930 and considerably exceeded 1700. The proposed population figure should remain fairly stable near this lower figure, if the proposed improvements are made

Housing and Social Conditions, Character of Dwellings, Rents

All of the buildings contain "dwelling units". Of the total, 7% are three story, 57% four story and 36% five story buildings. (Note: Basements are included as a "story" when largely above the sidewalk grade or easily accessible from the street or front yard. Attics have also been included as a full story, as the great majority are contained within a Mansard roof and therefore contain full-height dwelling units.)

For 1930 the U. S. Census shows for Tract I-3 that 24% of the dwelling units were owner-occupied* and 76% were tenant-occupied.

For 1940 the U. S. Census shows for Tract I-3 a total of 1358 dwelling units. Of this total 19% were owner-occupied, 70% tenant-occupied and 11% vacant, with non-whites occupying 6% of the total number of occupied dwelling units.

The 1940 U. S. Census figures for Tract I-3 (including the Project Area) show that 96% of the buildings are forty years of age, or older, and that - with one exception - all those in the Project Area were built of brick. From other sources it has been estimated that the approximate construction dates of the structures, within the Project Area, would be about as follows on next page.

*It should be noted, however, that in all cases where the "owner-occupied" houses are rooming houses, the "owner" occupies personally only a minor part and rents the remainder of the premises for occupation by others.

| | <u>Year Built</u> | <u>Percent</u> |
|---------|-------------------|----------------|
| Between | 1828 - 1839 | 10% |
| " | 1840 - 1859 | 18% |
| " | 1860 - 1879 | 54% |
| " | 1880 - 1899 | 14% |
| Since | 1900 to Date | 4% |
| | | 100% |

It is estimated that in 1940 the Dwight-Hanson Street Area had a total of 193 dwelling units, of which 34% were owner-occupied, 56% tenant-occupied and 10% vacant. Of 160 dwelling units it was then estimated that 33% were "in need of repair and had no private bath", 16% were "in need of repair" and 20% had "no private bath".

In 1943 it was estimated that the Project Area had a total of 141 buildings, of which 58 were owner-occupied, 80 tenant-occupied* and 3 vacant. Of 132 buildings** it was estimated that 39% were "in need of minor improvement" and 61% were "in need of major improvement".

"Minor Improvements" were considered to include plastering, painting, decorating, refinishing floors, retopping chimneys, flashing, plumbing and heating repairs or partial replacements.

"Major improvements" were considered to include important structural repairs, roofing replacements, new plumbing or heating and electric equipment. They also included addition of hot and cold water in all the larger bedrooms where now lacking.

In 1934 a W.P.A. house-to-house survey, covering this same area, and listing the same 132 individual buildings now in the

*Where a resident owner in one building was found to own adjoining houses, the adjoining houses are listed as "tenant occupied". There is one case in which the owner lived in one house and owned four adjoining structures, and two cases in which the owners lived in one house and owned an adjoining house.

**Only the buildings that are to remain in the Project were inspected.

Project Area, showed that at that time there were 13 single houses (of which 2 were vacant), 5 Apartment buildings (having 2 apartments vacant), and 114 Rooming houses (of which 5 were vacant).

Comparison of Households

| <u>Year</u> | <u>Area</u> | <u>Popula-</u> | <u>House-</u> | <u>Population per Household</u> |
|-------------|--------------|----------------|---------------|---------------------------------|
| | | <u>tion</u> | <u>holds</u> | ("families", U.S.Census) |
| 1930 | Tract I-3 | 7147 | 942 | ("families", U.S.Census) 7.6 |
| 1940 | Tract I-3 | 6322 | 1207 | ("households" " " " ") 5.2 |
| 1940 | Project Area | 1486 | 187 | (" " " " ") 7.9 |
| 1943 | " " | 1530 | 171 | (" " " " ") 8.9 |

The increase in the number of persons per household, as previously stated, is due principally to conditions brought about by the existing War emergency - including much more complete occupancy of rooming accommodations within the area - and caused somewhat by the gradual conversion of the few remaining single houses in this area into rooming houses, - along with less vacancies of the structures or apartments available.

In the Project Area there are at present (1943) 141 buildings used for residences. Of these 141 buildings, 15 are occupied as single family dwellings and 1 is vacant; 10 apartment buildings are occupied and none vacant, and 113 rooming houses are occupied and 2 vacant. Of the total floor area classed as "residential" 99.8% is used for residence and 0.2% for business. Of the floor area used for residence 96% is occupied and 4% is vacant. Of that used for business all is occupied.

In the Project Area at present (1943) the following information has been derived for the 141 buildings used for residential purposes.

Number of Buildings Households* and Population (1943)

| <u>Occupied Buildings</u> | <u>Vacant Bldgs.</u> | <u>Households</u> | <u>Population</u> | <u>Percent of Population</u> |
|---------------------------|----------------------|-------------------|-------------------|------------------------------|
| 15 Single Houses | 1 | 15 | 58 | 3.79 |
| 10 Apartment " | 0 | 43 | 102 | 6.67 |
| 113 Rooming " | 2 | 113 | 1370 | 89.54 |
| 138 Buildings | 3 | 171 | 1530 | 100.00 |

Average Number of People per Household

Average number of persons in Households living in:

Single Houses 3.86

Apartments 2.37

Rooming " 12.12

Rents in Tract I-3.

For Tract I-3, including the Dwight Hanson Street Project Area, the 1940 U. S. Census shows that the monthly rentals then averaged \$29.20 per household. The estimated rents for the owner-occupied units average \$50.59 per month and for the tenant-occupied units \$24.87 per month. The break-down into several rental brackets is as follows -

| <u>Rentals</u> | <u>Owner Occupied Units</u> | <u>Tenant-Occupied Units</u> |
|--------------------|-----------------------------|------------------------------|
| Under \$19.00 | 5% | 43% |
| \$20.00 to \$24.00 | 8% | 19% |
| \$25.00 to \$29.00 | 4% | 11% |
| \$30.00 to \$39.00 | 9% | 12% |
| \$40.00 and over | 74% | 15% |
| | 100.0 | 100.0 |

*"Household", see Definition at beginning (page 2)

" in a Single House is considered as consisting of one family and servants

" in an Apartment is considered as consisting of one family and roomers

" in a Rooming House is considered as consisting of all the persons residing within the dwelling (which varies from about 10 to as many as 20 rooms).

All Houses other than Single Family and Apartment houses are considered as "Rooming Houses" where the Police List shows names of more than one Family as dwellers at that number. (There is a regulation requiring a Housekeeper who rents four or more rooms to secure a "Rooming House License" - which use of the term is disregarded in the classification here employed. It even appears that Roomers are taken into Apartments occasionally by their lessees.)

Rents of Rooming Houses*

The monthly rentals for the rooming houses of 10 to 13 or 14 rooms along Dwight, Milford and Hanson Streets would run, at the present time, from about \$40.00 to \$50.00, depending also somewhat upon the type of heating (or the lack of it) installed, as well as modernity of the bathrooms and plumbing fixtures. Along Waltham Street, where the houses are larger - running up to 16 or 18 rooms, - these prices would probably extend up to \$50.00 or \$60.00 per house.

Rents of Apartment Houses*

Apartments of two rooms, with small side kitchen and bath, rent in "made over" buildings in this area at from \$25.00 to \$30.00 per month, (heated and modernized). The older structures (only two in number, with a total of six apartments) of smaller rooms and lacking in heat and other conveniences, vary from \$15.00 to \$18.00 per month per apartment. A kitchen range is provided the tenant, who is required to supply the fuel with which to heat the apartment and to supply hot water, from this one source. (Both the apartment houses within this classification are on Taylor St. and are to be demolished.)

Rents, General*

Along Taylor Street and the other narrow lanes where the older and smaller "cottage type" houses are still in use, the monthly rentals would run from \$30.00 to \$40.00 per house.

In all these houses where the plumbing and heating equipment had been brought up-to-date, and newer fixtures placed in the

*From statements by local Real Estate men based on Ceiling Prices November 1, 1942.

bathrooms, along with the installation of lavatories supplied with hot and cold water in the separate bedrooms for rent to roomers, the rentals of the houses to the landladies would justifiably be increased by \$5.00 or \$10.00 per month, depending upon the completeness of the accompanying modernization.

Most of these rental prices, and especially those of the larger and more modern houses principally in demand for rooming purposes upon the better streets, would now (1943) be increased over those here listed, if it were not for the rent control limitations now in force.

Health

The following table shows the standing of the South End in regard to four very important points for the year 1940, as compared with the 14 Health & Welfare districts in the City:

| Date Used | Tuberculosis; | | Juvenile Cases | | Rate of Unemployment |
|-----------|------------------------|------------------|--------------------|-------------|----------------------|
| | New Cases & Death Rate | Infant Mortality | reaching the Court | | |
| 1935 | highest | 2nd highest | 5th highest | 4th highest | 4th highest |
| **1940 | highest | 4th highest | *4th highest | | 6th highest |

The following table shows the comparison between Census Tract I-3 (which contains the Project Area), Census Tract I-4 (an area adjoining Tract I-3 on the East, in which living conditions, on the whole, are not as good as those within Tract I-3), and the entire City.

*Based upon a 5-year average; the South End rate being 24.3 per 1000; - as compared with the rate of 14.2 per 1000 for the City as a whole.

**1940 information received from the Boston Council of Social Agencies.

Census Tract Data for the Calendar Year 1940

(With the exception of all figures for cases of tuberculosis, these data include residents of Boston, born or dying either in Boston or elsewhere in the State of Massachusetts.)

Part I

| | <u>Popula-</u> <u>tion</u> | <u>Live</u> <u>Births</u> | <u>Live Birth</u> <u>rate per M.</u> | <u>Total</u> <u>Deaths</u> | <u>Death rate</u> <u>per M.</u> |
|-------------|-------------------------------|------------------------------|---|-------------------------------|------------------------------------|
| Tract I-3 | 6,322 | 68 | 10.76 | 194 | 30.69 |
| Tract I-4 | 2,991 | 51 | 17.05 | 67 | 22.40 |
| Entire City | 770,816 | 12,396 | 16.08 | 9,870 | 12.80 |

Part II

| | <u>Infant</u> <u>Death</u> <u>Deaths</u> | <u>Infant</u> <u>Death</u> <u>rate per M.</u> | <u>T.B.</u> <u>Deaths</u> | <u>T.B.</u> <u>rate per M.</u> | <u>Pneu-</u> <u>monia</u> <u>Deaths</u> | <u>Pneumonia</u> <u>rate per M.</u> |
|-------------|--|---|------------------------------|-----------------------------------|---|--|
| Tract I-3 | 2 | 29.41 | 11 | 1.74 | 15 | 2.73 |
| Tract I-4 | 4 | 78.43 | 4 | 1.34 | 6 | 2.00 |
| Entire City | 523 | 42.19 | 490 | 0.64 | 671 | 0.87 |

Part III

| | <u>Cancer</u> <u>Deaths</u> | <u>Cancer</u> <u>Rate</u> <u>per M.</u> | <u>Heart</u> <u>Disease</u> <u>Deaths</u> | <u>Heart Dis-</u> <u>ease rate</u> <u>per M.</u> | <u>Accident</u> <u>Deaths</u> | <u>Accident</u> <u>rate</u> <u>per M.</u> |
|-------------|--------------------------------|---|---|--|----------------------------------|---|
| Tract I-3 | 24 | 3.80 | 50 | 7.91 | 17 | 2.69 |
| Tract I-4 | 7 | 2.34 | 20 | 6.69 | 7 | 2.34 |
| Entire City | 1375 | 1.78 | 2992 | 3.88 | 584 | 0.76 |

All the above rates are based upon Population per thousand, except that for Infant Deaths which is based on Live Births.

Welfare and Assistance

In 1934 various welfare and assistance payments made by the City in the South End totalled \$1,500,000 net, averaging \$34.35 per capita of the total population of the South End.

At the present time (1943) City welfare and assistance payments in the South End are running approximately at the rate of \$567,906 net, which, based on the 1940 population, equals \$13.74

per capita. This is a 60% reduction in the City's welfare and assistance payments as compared with the 1934 expenditure.

The figures on page 16 show only actual city expenditures. A breakdown of the total public expenditures is as follows:

| | Federal & State Grants* | City Expenditures* | Total |
|---------------------------|-------------------------|--------------------|-----------|
| Aid to Dependent Children | \$80,864 | \$49,562 | \$130,426 |
| Dependent Aid | 67,479 | 269,914 | 337,393 |
| Old Age Assistance | 1,028,030 | 225,665 | 1,253,695 |
| Soldiers' Relief | 5,055 | 22,765 | 27,820 |
| Totals | 1,181,428 | 567,906 | 1,749,334 |

This district is still among the highest in per capita cost to the City.

Public Utilities and Facilities

The present through streets running in the immediate vicinity of the Project Area are Dover St., 50 feet wide, on the northeast; Shawmut Ave., 60 feet wide, on the southeast, Waltham St., approximately 50 feet wide, on the southwest, and Tremont St., 100 feet wide, on the northwest. There are three intermediate northwest-and-southeast streets extending from Tremont St. to Shawmut Ave., two being 50 feet wide and one approximately 45 feet. In addition there is one public alley 20 feet wide bounding the Project Area on the northeast and running parallel to Dover St.

The intermediate northeast-and-southwest streets are short and of minor importance, two being 30 feet wide and one only 20 feet. With one exception, the street paving, curbs and sidewalks are in fairly good condition, except where they have been thrown slightly by the roots of trees.

*Breakdown between Federal and State Grants and City expenditures approximate, Totals correct. Above figures do not include any expenditures made by religious and charitable organizations or by private persons in the area, for which expenditures no figures are available.

Mass transportation systems are reasonably near at hand. The Dover Street Station on the Everett Forest Hills "elevated" line is at the corner of Dover and Washington Streets, one block to the southeast, connecting the area directly with the heart of Boston to the north and with Roxbury and the region beyond to the south. Several surface car lines run along Tremont St. on the northwest, to the business center of the City. Dover St. leads easterly directly to the South Boston dock area, only one and a half miles away. The Broadway Station of the Cambridge-Dorchester tunnel is at the farther end of the Broadway bridge, about three quarters of a mile away.

Sewerage, water supply and fire protection are installed throughout the area and are adequate. A number of lines are old but will serve for many more years.

Public Schools

The Dwight-Hanson Street Area is also adequately served by schools. The Franklin School is within the Area, between Hanson and Waltham Streets, and has classes from the fourth to the eighth grade inclusive. This is an old building and is not in full use. If it be rebuilt the expense would of course be a charge against the City and not against the project area in particular. The English High School also almost bounds the Area at the southwest, and the Girls High School is nearby, in another part of the South End.

A more complete listing of convenient School facilities available is shown on the following table:

PUBLIC SCHOOLS EASILY ACCESSIBLE FROM
DWIGHT-HANSON STREET AREA

Figures as of October 13, 1943

| Name of School | Location | Grades of Instruction | Capacity | Present Enrollment |
|---|---|-----------------------|-------------|--------------------|
| Brandeis Vocational (Includes Continuation School) | 25 Warrenton | 9 to 12 | 1350 | 756 |
| **English High (Boys) | Montgomery St. | 9 to 12 | 3400 | 2391 |
| Girls High & Annex | W. Newton St. nr. Tremont | 9 to 12 | 2250 | 2023 |
| Abraham Lincoln Dwight-Main Bldg. (Boys) | Arlington & Fayette W. Springfield St. near Tremont | K to 9 4 to 8 | 1100 453 | 737 273 |
| #Joshua Bates | Harrison Ave. bet. Brookline & Newton | K to 3 | 252 | 116 |
| Everett-Main Bldg. (Girls) | Northampton near Tremont | 4 to 8 | 482 | 326 |
| Louisa M. Alcott | W. Concord nr. Shawmut | K to 3 | 323 | 246 |
| #*Franklin (Main Bldg.) | Hanson & Waltham Sts. | 4 to 8 | 441 | 158 |
| **John S. Williams | Groton nr. Washington | K to 8 | 293 | 178 |
| #Wait School (Boys) | 125 Shawmut Ave. | K to 3 | 241 | 113 |
| Quincy-Main Bldg. Andrews | Tyler St. nr. Harvard Genessee to Oswego | K to 6 K to 3 | 385 521 | 259 181 |
| Rice-Main Bldg. | Dartmouth & Appleton | 5 to 8 | 423 | 314 |
| George Bancroft | Appleton nr. Dartmouth | K to 6 | 434 | 339 |
| | | | 12348 | 8410 |

Outdoor Recreation, Local and General

The present play areas consist of only 9583 sq. ft. of usable space in the Franklin School Yard. Based on the population of 1530 in the Project Area alone, (not considering a great many other persons who are nearer to this playground than to any other), this allows only 6.3 sq. ft. per person, which is to be compared

*In Area

**On edge of area.

#Transfers of pupils as recommended by the recent Survey by the Finance Commission of the City of Boston would not adversely affect the educational facilities of this project.

with 43 sq. ft. per person, often considered to be a reasonable minimum allowance.

Good transportation facilities give the Project Area a fair accessibility to the general recreation areas of Boston and some areas are within possible walking distances, e.g., Boston Common, about one half mile; Charles River Embankment, about three quarters of a mile; Columbus Park, a little over a mile, and the Strandway, about a mile and a half.

Employments of Present Population

The following table shows a comparison of the principal employments of Tract I-3 for 1940, based on the U. S. Census, and of the Project Area, based on Police List of Jan. 1, 1943, plus estimated population not included in the Police List.

| Class | Number | EMPLOYMENTS | | % of Total Labor Force |
|------------------------------------|--------|-----------------|--------------------|------------------------|
| | | Tract I-3; 1940 | Project Area; 1943 | |
| *Service Workers (except Domestic) | 926 | 26.9 | 409 | 34.8 |
| Operatives & Kindred Workers | 447 | 13.0 | 101 | 8.6 |
| Craftsmen, Foremen, etc. | 347 | 10.0 | 151 | 12.8 |
| Clerical, Sales, etc. | 297 | 8.6 | 109 | 9.3 |
| Laborers | 191 | 5.5 | 230 | 19.6 |
| Professional Workers | 111 | 3.2 | 20 | 1.7 |
| Proprietors, Managers, etc. | 89 | 2.6 | 30 | 2.6 |
| Domestic Service Workers | 58 | 1.7 | 7 | 0.6 |
| Others, not reported | 21 | 0.6 | 44 | 3.7 |
| Total on Wages or Salary | 2487 | 72.1 | 1101 | 93.7 |
| On Emergency Public Work | 353 | 10.2 | 0 | 0.0 |
| "Seeking Work" | 609 | 17.7 | 74 | 6.3 |
| Total Labor Force | 3449 | 100.0 | 1175 | 100.0 |
| Total Not in Labor Force | 2177 | | 311 | |
| Total 14 Years' old and over | 5626 | | 1486 | |

*Includes "protective service workers" and Housekeepers for wages not in private families.

For 1940 in Tract I-3 there were listed 353 persons on "emergency public work" and 609 "seeking work". For the Project Area in 1943 there are none on "emergency public work" and only 74 listed as "seeking work". The definite improvement in the employment situation thus shows up strongly between the years 1940 and 1943 and would account for what otherwise would appear to be a considerable discrepancy in the figures stated for each year opposite the line given to the "Laborers". It should also be remembered in comparing the two groups that the "Project Area" only contains about one quarter (24.2% in 1940) of the population of the entire Tract.

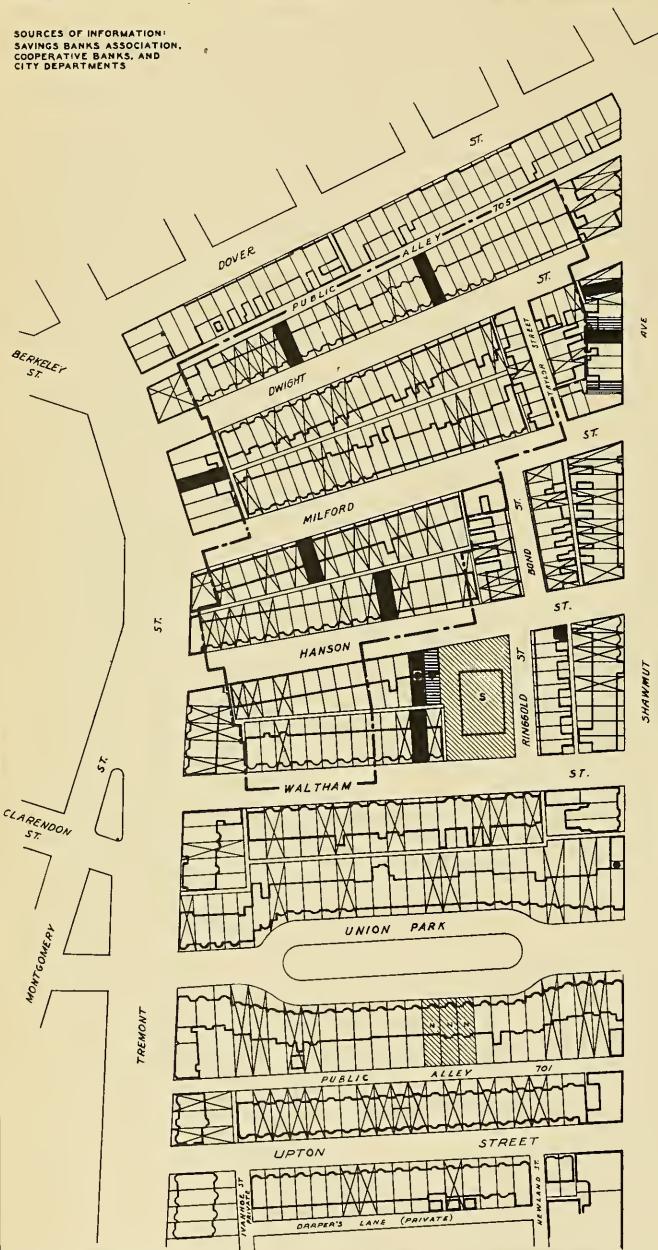
It was noticed in compiling the information for the "Project Area" that the persons in the same occupation were inclined to live near one another in small groups. This was particularly true of those in the lower income brackets. The fact that more than one-half of the "Wage or Salary" workers fall within the two groups "Service Workers" and "Laborers", would suggest that the Project Area is a particularly convenient place from which to get to places of employment and places of purchasing supplies appropriate for such wage groups.

Availability of Purchasing Areas

Local shopping is amply provided on Tremont St., Shawmut Ave., Washington and Dover Streets adjacent to the Project, as well as at farther away points. The Central Boston shopping area, or that part of it most likely to be used by those living in the Project, is not over a mile distant.

SOURCES OF INFORMATION:
SAVINGS BANKS ASSOCIATION,
COOPERATIVE BANKS, AND
CITY DEPARTMENTS

MAP
2



LEGEND

- [Hatched square] PUBLIC, RELIGIOUS, AND CHARITABLE (TAX EXEMPT)
N NEIGHBORHOOD HOUSE
S SCHOOL
- [Circle with dot] CONDEMNED BUILDINGS
- [Cross-hatch] MORTGAGES HELD BY SAVINGS AND COOPERATIVE BANKS
- [Cross-hatch] MORTGAGES, IN EXCESS OF ASSESSED VALUE, HELD BY SAVINGS AND COOP. BANKS
- [Flag] MORTGAGES FORECLOSED BY SAVINGS BANKS
- [Solid black square] TAX FORECLOSED PROPERTY (NO VACANT LOTS)
- BOUNDARY OF PROJECT

CITY PLANNING BOARD
BOSTON - MASS
REHABILITATION STUDY
DWIGHT - HANSON ST. & UNION PARK AREAS
MORTGAGES, FORECLOSURES,
AND CONDEMNED BUILDINGS
AS OF SEPTEMBER 1943

JANUARY 1944

Tax Foreclosures by City

At present (1943) there are four pieces of property* on which tax titles have been taken within the "Project Area" by the City, all four of which are already beyond the date limit for redemption and therefore are ready for the City to take full title. It should be noted that in reference to Map 2 all tax foreclosures within this area have occurred within the last three years.

Bank Foreclosures

There were no Bank foreclosures of record within the "Project Area" during 1943, but there are some mortgages in default.

Mortgages

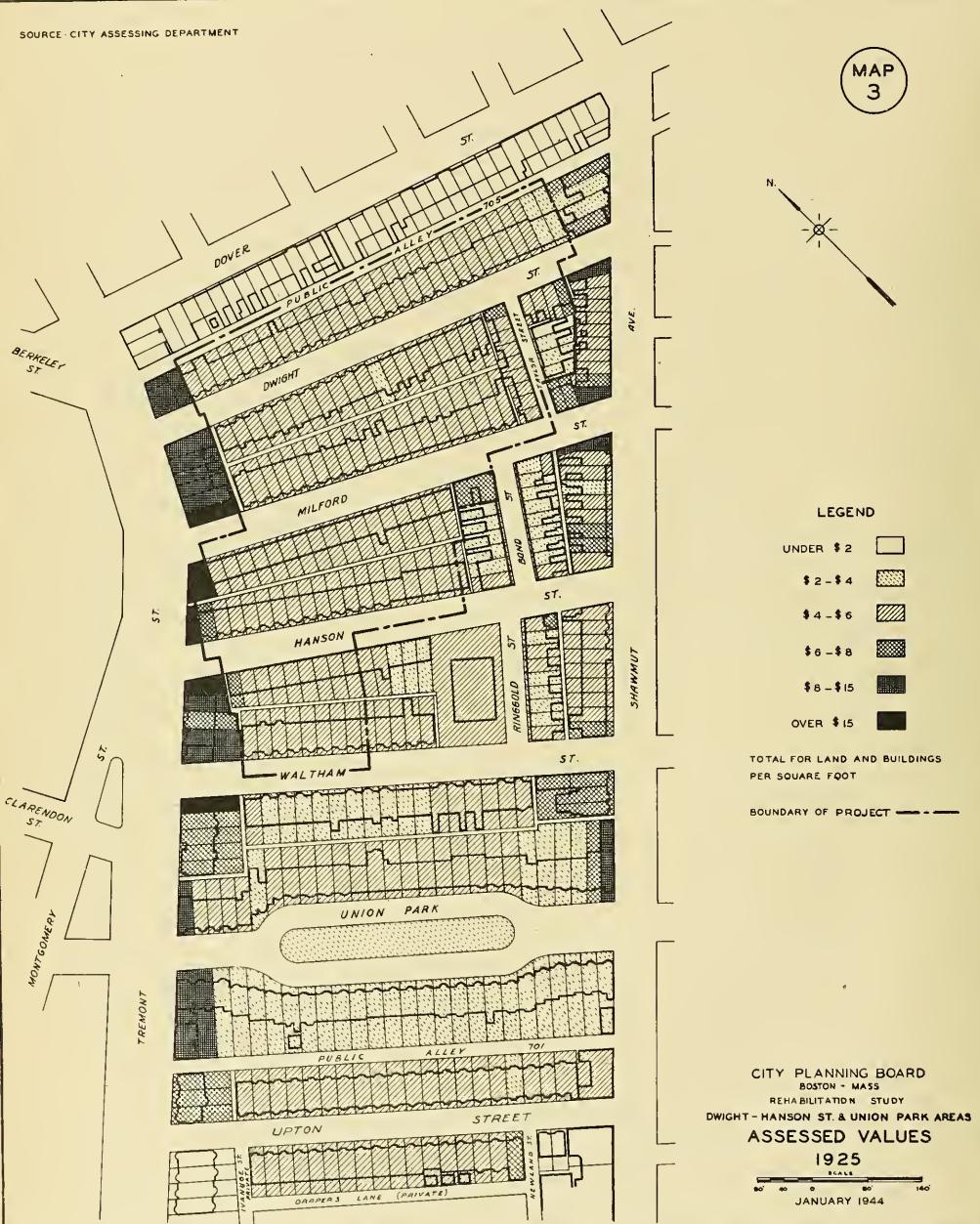
In 1943, Savings and Cooperative Banks held mortgages on 41 parcels (or 29% of all those inside the "Project Area") assessed at \$186,625, with the mortgages on those parcels amounting to a total of \$95,271.00.

As to how many mortgages are held by others, both commercial institutions and private individuals, there is no means of ascertaining. Mortgages in themselves do not, of course, indicate financial difficulty, as mortgage is the method in general use for financing many enterprises. It appears that of the 41 mortgages held by the above banks only one was in excess of the present assessed value, though some may prove to be above present sale value.

Tax Assessment

The South End assessed values dropped 33.8% from 1925 to 1940. The "Project Area" values over a longer period of years, from 1925

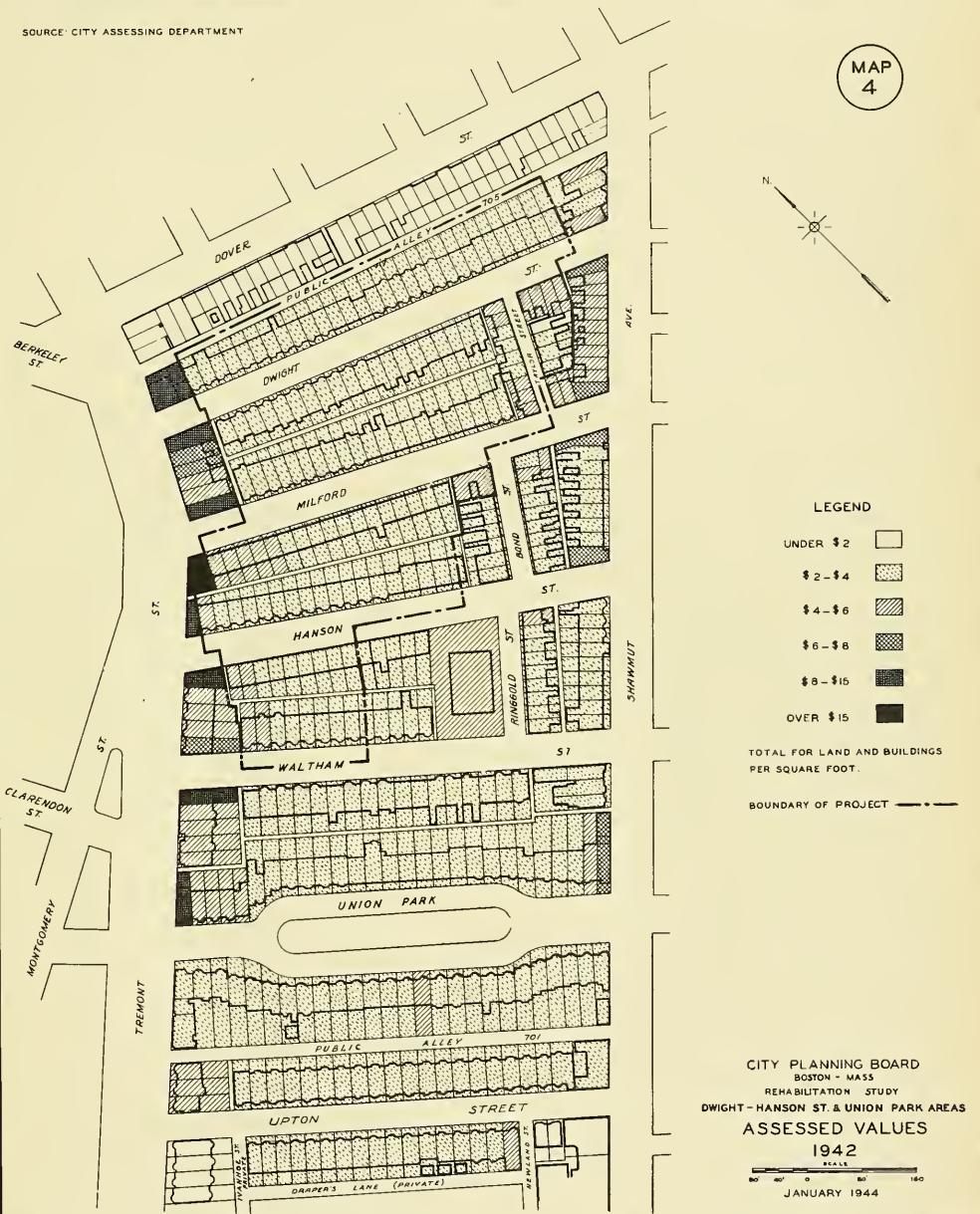
SOURCE - CITY ASSESSING DEPARTMENT



SOURCE: CITY ASSESSING DEPARTMENT

-25-

MAP
4



to 1942, declined 29.2%, while for the same period those for the whole City declined only 20.5%. Since there was a peak in assessed values in 1930, which greatly exceeded the values of 1925, the decline from 1930 to 1942 was actually much steeper than the above figures indicate.

Houses

The exterior shells of about all the buildings now on this area are sound and solid. The exceptions are only those where the owners have been so long discouraged that they have not continued any adequate upkeep or maintenance of the walls, windows and roofs of the structures, - and also the one or two that, being left open, have been vandalized. There are further a very few where partial settlements have opened some masonry joints, - but not as yet in locations where the deterioration has become vital. On the exterior, then, some of the sash and perhaps frames need replacement; the brickwork repointing, the roof or its flashings replacement or patching.

In the interiors, since the houses were built, the original plumbing and heating equipment was perhaps the only portion which has been replaced or extensively repaired, except of course the original gas piping which still exists, but in use has been generally replaced by an elementary system of electric wiring.

The generally excellent woodwork and masonwork remain, and except where they have been subjected to particularly gross neglect, are quite capable physically of extended use for another fifty years or so.

But the plans and arrangement of many of these houses are not so well adapted to their new uses. Socially, sanitarily and eco-

nominally they could be bettered by newly planned structures, - but nevertheless, so long as their physical condition remains sound, their owners will tend to continue them in use if they can bring in even a moderate income on the constantly diminishing value of the investment which they now represent.

Of course, the easiest and most obvious adaptation of these old private dwellings was to the purpose of boarding or rooming houses, and it is within the latter classification that most of them now fall. They are serving a real need in providing sleeping accommodation for many unmarried (and a few married) workers, who have found this downtown location cheap and convenient for their purposes. To adapt them to this use the structure needed little change - and in most cases it received none at all. The resident "housekeeper" usually has occupied the lower - or basement - story, with the use of an occasional upper story room for her children - if such she has - leaving the balance of the house, usually including the parlors, available for rental to "roomers", - who have had to adapt themselves to the limited toilet facilities provided by the single old-fashioned bathroom that is usually found in these houses.

This crowded use of once sufficient accommodations has a depreciating effect on the house itself, but an expedient having a much more deteriorating reaction on the neighborhood has been the construction of wooden additions behind the houses which produced one or two extra rooms to rent but which so cut off the light from the rears of the houses and so crowded the alleys that while the fronts are still self-respecting, the rears and the alleys give every appearance of a discouraged slum.

Reasons for Deterioration

The reasons for this loss of value are not far to seek. The automobile made it possible for the comfortably well-to-do to live in the suburbs and still work in Boston. The trend of fashion went to the Back Bay and then largely out of town altogether. In the "Dwight-Hanson Street Area" the financial condition of the home owners who still lived in the houses dropped to a point where they felt that they had to "take in boarders", but the houses were not adapted to this more congested use except by alterations which seriously deteriorated all the house. There was no legal defense for the householder who would preserve the good old conditions from the injury to the neighborhood wrought by those who could no longer afford the more ample accommodations of the past, so that presently the rents were predicated on the deteriorated neighborhood, and a single house, no matter how good in itself, could not command rents over this ceiling. Therefore the incentive to good upkeep was lacking, except in the owner-occupied houses which are a diminishing minority. It is well known that under these circumstances depreciation spreads like a contagion, and only large-scale coordinated effort can make headway against it.

PROPOSED CONDITIONS AND PROCEDURES

In the light of all the local circumstances above discussed, and as a result of a consideration of the area as a working part of the whole future city, the conclusion was further strengthened as to the Dwight-Hanson Street Area which led in the first place to its choice as a "sample project". It became further evident, namely, that this area, at least for the next thirty years or so,

would best be continued in its present use as a rooming-house district. The present gross density of occupancy was not considered in itself excessive for this use with good upkeep and management. The present rental scale, or up to a ten per cent increase thereof, was believed to be desirable in this district as meeting a large public need.

The problem is to decide what improvements - physical, economic, regulative, managerial, or legislative - can be undertaken to produce the above results, without putting upon any class of people concerned a greater financial burden than, in the long run, the good results will warrant.

The remainder of this report makes, and tests financially, certain proposals directed to this end.

Present and Proposed Coverage, Population Density and Rent-paying Ability.

It is proposed to design for 25 households or about 242 people per gross acre, 35 households or about 329 persons per net residential acre. This density appears reasonable for this class of development in this area, as a part of a Master Plan for Boston (now under preparation in tentative form). It is true that the proposed density is only a little lower than that now existing in the area. There is proposed, however, a demolition of some of the most deteriorated buildings with excess building coverage along Taylor St. within the project in order to open up the rear yard areas in the vicinity, thereby giving considerably more light and air to the remaining buildings, and securing better health conditions for their inhabitants.

It is proposed that the improved housing shall contain, as far as may be, the present population of the project area, or its equivalent in number and in rent-paying ability. This is not wholly possible. There is a minimum cost for decent housing, and some of the present tenants can not pay it. This is a question of public assistance which must be contributed, at least in part, by other agencies than the Redevelopment Corporation.

DWIGHT HANSON STREET

Number of Rooms and Rents per Room
Present and Proposed

| Present | | | Proposed | |
|---------------|------------------------|-------------------|------------------------|-------------------|
| Rent per Room | <u>Number of Rooms</u> | <u>Total Rent</u> | <u>Number of Rooms</u> | <u>Total Rent</u> |
| \$2.00 | 266 | \$532 | | |
| 2.50 | 252 | 630 | 286 | \$715 |
| 3.00 | 108 | 324 | 204 | 612 |
| 3.50 | 194 | 679 | 114 | 399 |
| 4.00 | 216 | 864 | 181 | 724 |
| 4.50 | 274 | 1233 | 240 | 1080 |
| 5.00 | 205 | 1025 | 164 | 820 |
| 5.50 | 50 | 275 | 116 | 638 |
| 6.00 | | | 104 | 624 |
| 6.50 | | | 160 | 1040 |
| | 1565 | \$5562 | 1569 | \$6652 |

1530 people
Average rent per room = \$3.55

1506 people
Average rent per room = \$4.24

An inspection of the accompanying breakdown of numbers of rooms at different rentals, existing and proposed, and study of

the rent-paying ability of the people concerned would seem to show that about 250 people, or 16.3% of the present population now paying \$2 or under per room per week, would have to go elsewhere and about 240 people would come in from elsewhere, paying from \$6 to \$6.50 and occupying the best of the improved rooms.

TABLE II
REHABILITATION STUDIES
COVERAGE, PRESENT AND PROPOSED, IN THE DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.
As of September 1, 1943.

| Figures in Square Feet Unless Otherwise Noted | | 1 BUSINESS AND INDUSTRY | 2 RESIDENCE | 3 TOTAL TAXABLE NET AREA | 4 STREETS AND PUBLIC ALLEYS | 5 SCHOOL | 6 PARK | 7 PLAYGROUND | 8 TOTAL AREA |
|--|-------------------------------|-------------------------------|---------------------|-----------------------------------|--------------------------------------|-------------|-----------|-----------------|---------------------|
| AT PRESENT | A BUILDING | 459 | 112,175 | 112,634 | 0 | + | + | + | 112,634 |
| | ATTACHED LAND | 167 | 84,182 | 84,349 | 0 | + | + | + | 84,349 |
| | APPURTENANT OPEN LAND | 0 | 0 | 0 | 74,006 | + | + | + | 74,006 |
| | TOTAL AREA | 626 0.01 Ac. | 196,357 4.51 Ac. | 196,983 4.52 Ac. | 74,006 1.70 Ac. | + | + | + | 270,989 6.22 Ac. |
| Sept. 1943 | D COVERAGE | 80.2 % | 57.0 % | 57.2 % | 0 | + | + | + | 41.6 % |
| | E BUILDING | 459 | 106,096 | 106,555 | 0 | + | + | + | 106,555 |
| | ATTACHED LAND | 167 | 93,361 | 93,528 | 0 | + | + | + | 93,528 |
| | G APPURTENANT OPEN LAND | 0 | 0 | 0 | 70,906 | + | + | + | 70,906 |
| | H TOTAL AREA | 626 0.01 Ac. | 199,457 4.58 Ac. | 200,083 4.59 Ac. | 70,906 1.63 Ac. | + | + | + | 270,989 6.22 Ac. |
| PROPOSED | I COVERAGE | 80.2 % | 53.2 % | 53.3 % | 0 | + | + | + | 39.3 % |
| | J BUILDING | 459 | 106,096 | 106,555 | 0 | + | + | + | 106,555 |

Percentage of coverage in each column is the relation between the total area and the building area for each column, i.e., "At Present" in column 3 line A divided by line D equals line E (57.2%). "Proposed" areas likewise, - line F divided by line I equals line J (53.3%).

Coverage, in column 3, line J - omitting area covered by proposed garages = 47.8%, (for the garages, while covering area, do not obstruct light and air from the people living in the buildings).

* No Figures Shown Except For Project Area.

Table II shows the coverage of the ground by buildings, present and proposed. This should be compared with Map 5 and Plan A. It appears that within the project area the coverage is almost unchanged. The present difficulty in this project is not coverage nor building arrangement, but building and ground condition.

TABLE III
REHABILITATION STUDIES
POPULATION DENSITY OF THE DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.
September 1, 1943.

| | POPULATION | | DWELLING UNITS | PERSONS | | PER PERSON | ACRE |
|--------------|------------|------------|----------------|---|---|--------------------------------|------------|
| | | | | Per Gross Area 270,989 s.f. = 6.22 Ac. | Per Net "Residential" Area 196,357 s.f. = 4.51 Ac. | | |
| | PERSONS | HOUSEHOLDS | | PERSONS | HOUSEHOLDS | PERSONS | HOUSEHOLDS |
| 1930 | 1680* | 221** | Not Recorded | 270 | 36 | 372 | 49 |
| 1943 PRESENT | 1530 | 171 | 176 | 246 | 27 | 339 | 38 |
| PROPOSED | 1506 | 159 | 161 | 242 | 25 | 329 199,457 s.f. = 4.58 Ac. | 35 |

* Estimated from 1930 U.S. Census.

** At 7.6 persons per household, which is the 1930 average for Tract I-3, 1680 persons = 221 households.

Dwelling units vary from 1 to 24 rooms.

Table III shows present and proposed population density.

Again it is evident that in a reconditioning project for the same kind of use the population can not usually be much increased, and any addition to the light and air usually means either reduced population or building reconstruction.

Proposed Zoning

It is suggested that this area be zoned for residence only, according to a revised general zoning plan, though in near-by areas where the streets are better fitted to such use there should remain a sufficient number of local stores to serve the needs of the dwellers in the district.

Changes in Streets

In this area there can be little improvement made by changing the pattern of the streets, since the buildings must mostly be preserved as they are now located. Bond St. and Taylor St. are proposed to be abandoned, and certain buildings fronting on them demolished, the first to allow a much-needed space for light, air and openness, the second to make way for the proposed play-

grounds. Further to help the playgrounds, Ringgold St. is proposed to be narrowed and used only occasionally for wheeled traffic, and a portion of Hanson St. is similarly treated.

Proposed Recreation Areas

Although not a part of this project study, it is proposed to establish a playground for the children up to and including the "Senior"** age group, totalling 69,874 sq. ft., in the immediate vicinity of the Franklin School (see Plan A), which borders the Project on the south and south east sides. This proposed playground will serve all of the children living in the project area and almost an equal number from neighboring areas. Boys and girls above the "Senior" age group can be better provided for elsewhere on nearby playfields.

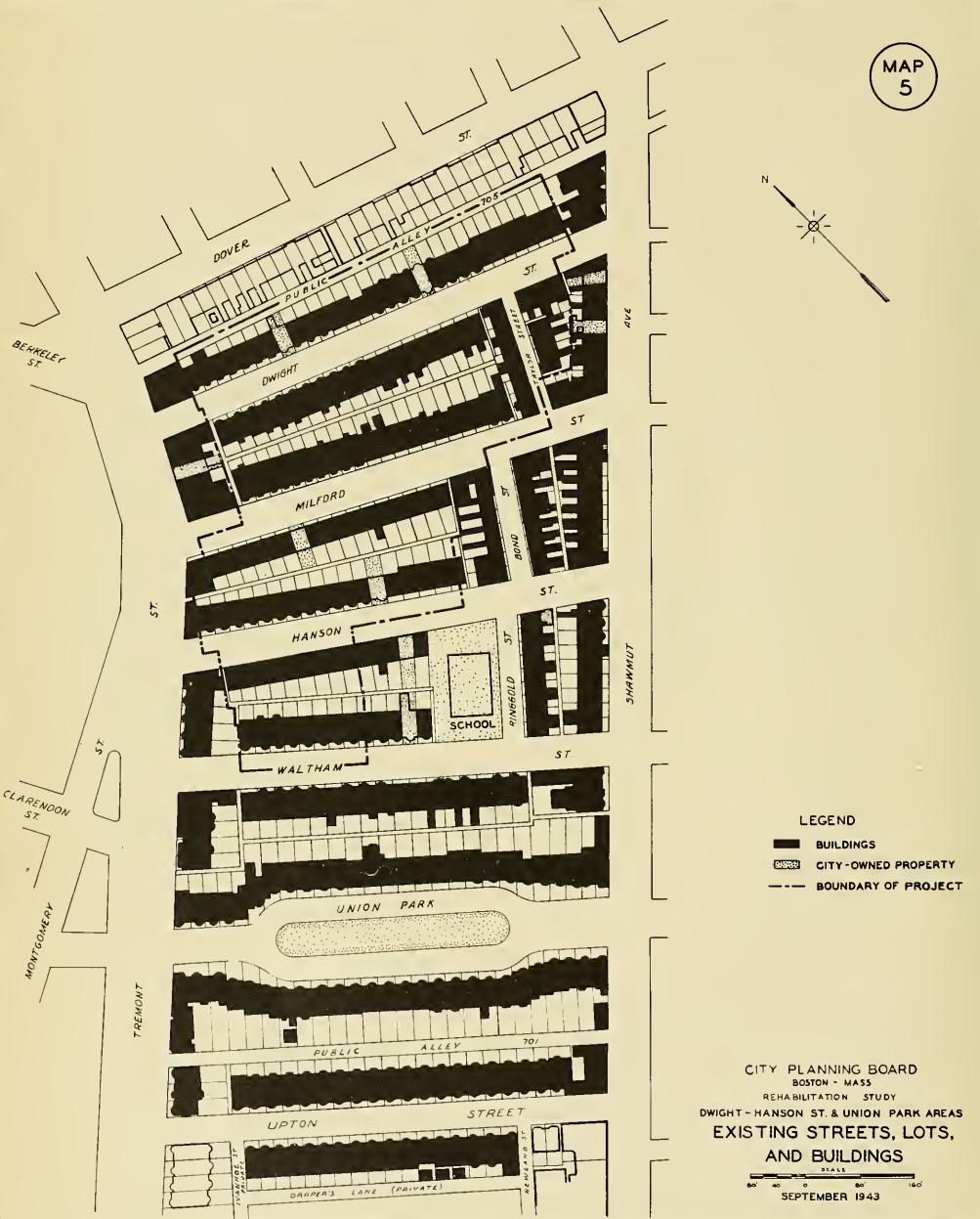
These playgrounds represent however no greater recreational provision than the city should create for general use in this vicinity. They are therefore a project for the city, related to the sample project as shown, but to be paid for by the sample project only in so far as this project pays a share of the taxes of the whole city of Boston. The design of the play spaces has been worked out to produce the greatest usable area with the least construction and destruction cost. These costs are stated separately in Table VIII.

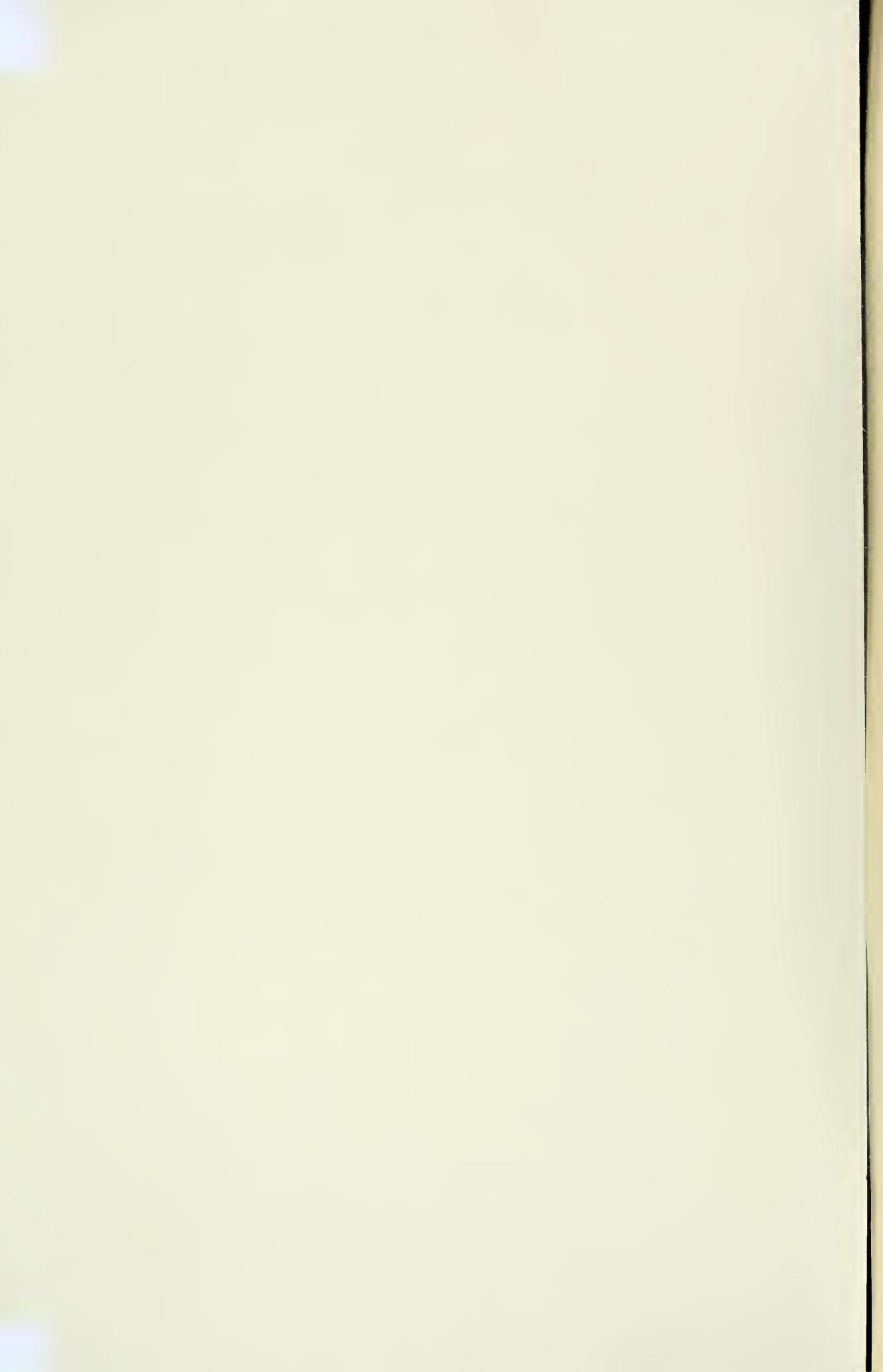
Size and Unity of Project Area

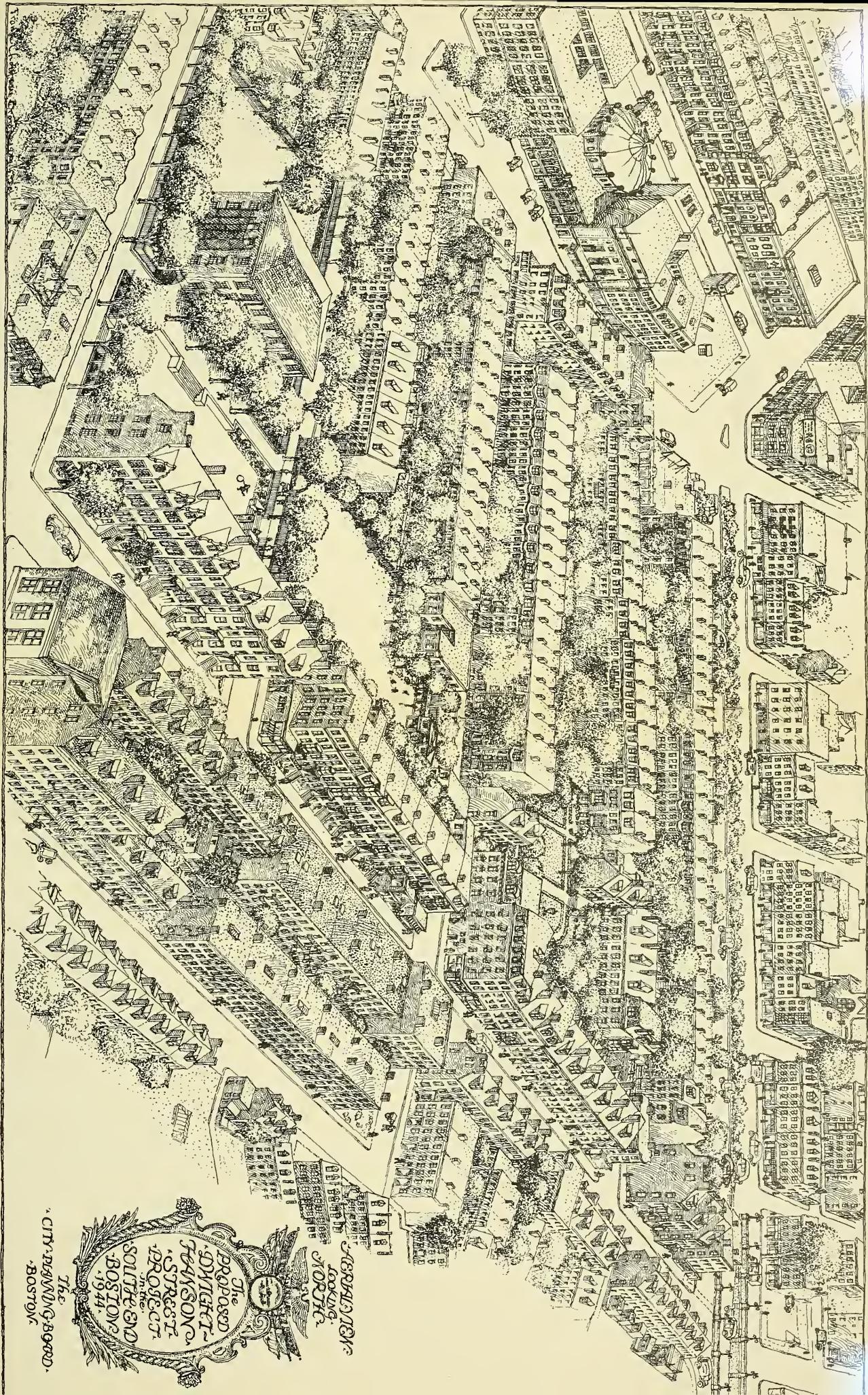
In order to present definite and comparable data and calculations, the "sample area" has been chosen within definite boundary lines (See Plan A). This area covers 6.22 gross acres and was selected as being strictly residential (with the exception of one

**12 to 15 years inclusive.

MAP
5



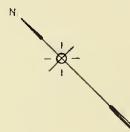




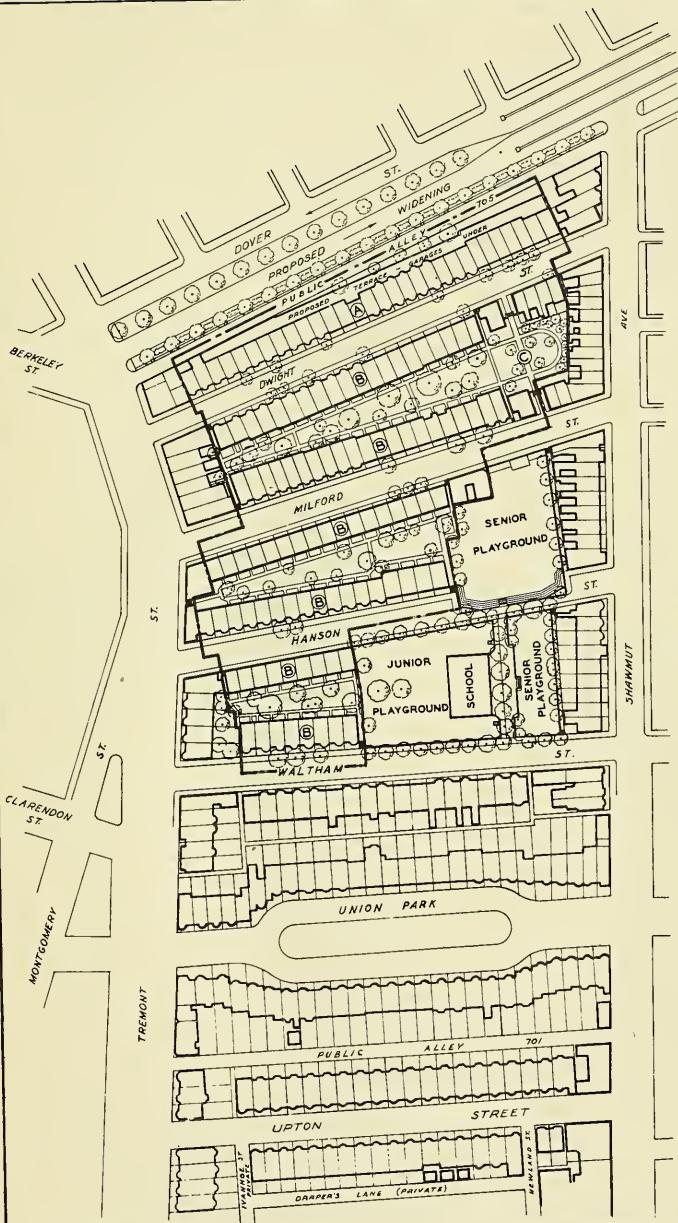
The
"CITY DRAWING BOARD."
"BOSTON."

"SOUTH END
LOOKING
NORTH."

PLAN A



BOUNDARY OF PROJECT — — —



CITY PLANNING BOARD
BOSTON - MASS
REHABILITATION STUDY
DWIGHT - HANSON ST. & UNION PARK AREAS

PROPOSED PLAN

SCALE
0' 40' 80' 120' 160'

MARCH 1944

small room registry and a plumbing shop), with the further qualification of being predominantly a rooming house area. Local stores (under residences) which abound in the properties fronting on the main streets on the northwest and on the southeast (Tremont St. and Shawmut Ave.) have been purposely excluded from the project for three reasons (1) the high values of the land and buildings in case of purchase, together with the greater cost necessary for reconditioning as compared with that required in the case of those properties exclusively residential, (2) the fact that they are likely to continue to serve the purposes of local business more and more exclusively, until that point is reached at which they will be demolished and replaced by new structures more economically planned to serve their business uses, and (3) for future comparisons or computation of costs in other areas having like or similar conditions, this area study will present a more clean-cut picture, without the necessity of considering the complicated variable item of "business under residence".

Block Interior Treatment

The present condition of the "back-yards" is the most strikingly bad feature of the neighborhood. The multitude of fences make cleaning difficult. The use, usually unauthorized, of the rooms for the preparation of food produces garbage which is often thrown out of the window. The inaccessibility of the alley to trucks and the general unregulated conditions discourage the collection of garbage by the city, and, as always, neglect has bred greater neglect, both public and private.

This report proposes a wholesale clearing away of the fences, the creation and upkeep of a commonly used open space, the facili-

tation of city garbage and litter collection, and the enforcement - which then might be possible - inside and outside the houses, of existing sanitary laws.

In order to secure the maximum amount of light, air and a decently attractive appearance in the back-yard areas, it is necessary also to demolish several of the structures along both sides of Taylor Street and two buildings adjacent to the proposed playgrounds.

Houses. Present Types and their best uses. Proposed Improvements.

If the rents for the whole project are to be held within 10% of their present levels, as later explained, plainly the costs of improving present conditions must be kept at a very low point if they are even to approach returning to the investor a dollar's worth for a dollar.

Single-family homes are only for those who can afford their advantages of greater room and privacy, and such people would usually prefer to live elsewhere than in this neighborhood. Such houses are therefore not the kind of quarters which this in-town low-cost area can best provide.

Apartment houses also require an amount of capital expenditure per person which is not consistent with the utmost economy in rent. However there is a limited demand for them, which would increase as the neighborhood improved. This report shows as an alternative suggestion the development in this way of a part of the project area plus some adjoining land. (See pages 41 and 42.)

Rooming houses are on the whole best suited to the kind of occupants who find this neighborhood most convenient, and they can be run - by dint of toleration of some inconveniences, and some es-

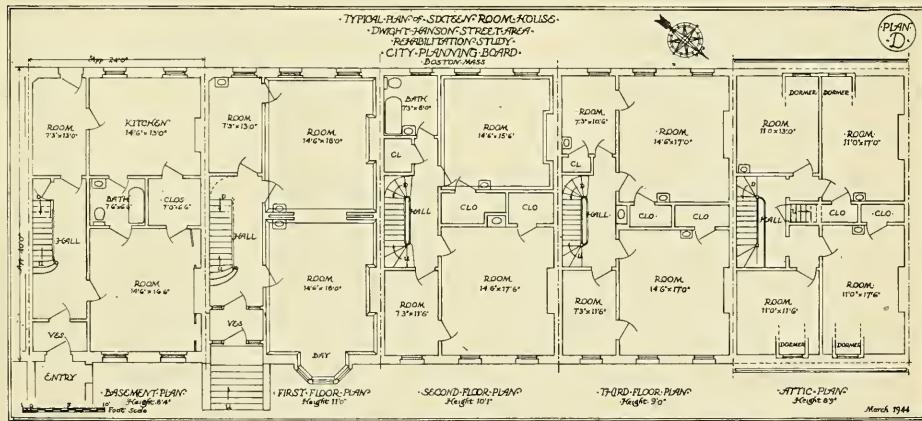
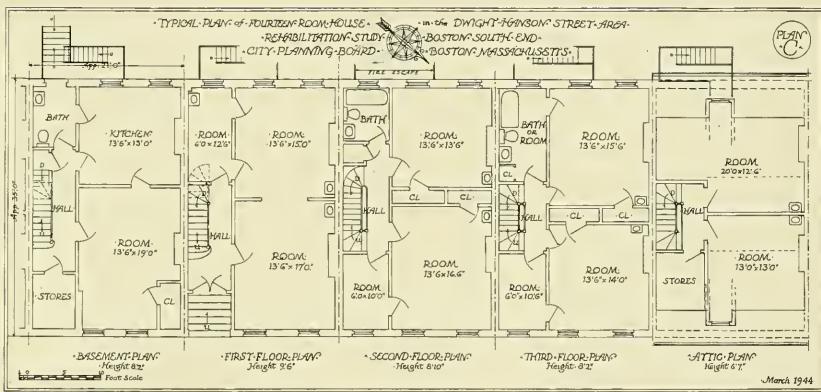
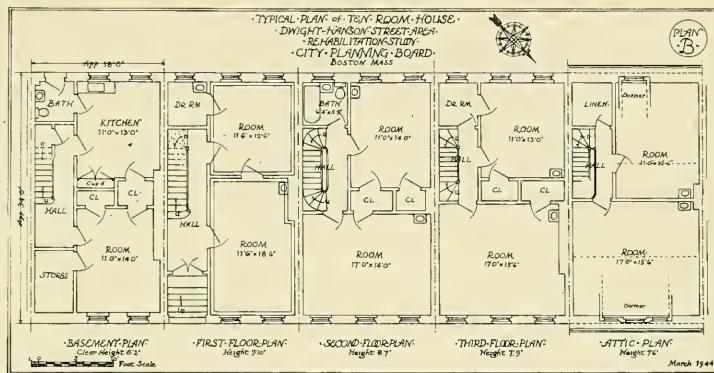
thetic sacrifices - in a way compatible with long-term health and decency while still remaining within the means of the present occupants.

Therefore, though no suggestion is made to discourage other types, it is here proposed that the reconditioned houses in the project area be used for the renting of rooms, usually not with board and not with private cooking facilities, mostly to one person or in some cases two persons per room.

For minimum tolerable conditions there should be more bathing facilities than those provided by the one bathroom which was included when the house was built.

This bath is located either in the center of the house, between the larger front and back rooms on the second or third floor, or it occurs in the small "side room," at the rear, on one or the other of these same floors, depending upon the number of stories in the height of the house. In the first type, to increase the number of baths would necessitate some rearrangement of the interior closet partitions, - and perhaps special ventilation facilities for both the old and new baths. In the second case it would entail the loss of rooms at present rentable from \$2.50 to \$4.00 per week, in order to make them over into new bathrooms. In the first case it may cost from \$1500 to \$1800 to put in the inside bath and do little else; and in the other type of plan, perhaps \$1000 to \$1200 to add two new baths (but at the cost of losing the rental of two side rooms totaling from \$200 to \$300 each year).

This report proposes a cheaper solution, namely providing wash basins with hot and cold water in every room or group of rooms in one occupancy. This would allow ordinary washing, and would relieve the crowding of the single bathroom, particularly since it could then be used more exclusively as a toilet.



Many houses will need a considerable expenditure to put the plumbing and heating systems in tolerable condition. Proper fire escapes are proposed to be provided, in accordance with the law as it is applied to such buildings. There are certain requirements of the recently enacted building law, applicable to new construction, which if applied to reconditioning projects without consideration of the specific circumstances would, in the opinion of many, prevent reconditioning in a large number of cases where reconditioning is otherwise possible and desirable, and thus greatly and unnecessarily hasten deterioration and diminish decent housing. In this report it is assumed that where the purpose of the law can be completely carried out, while permitting variations to save unnecessary expense to the owner which are certified as safe by the building inspector, such variations, if any, as are implied in the plans herein will be allowed.

Almost every house would repay a judicious expenditure in cleaning or stripping old paint, repainting, floor sanding and polishing, and other reconditioning. It should be remembered that the original floors and interior finish were in most cases very good.

Plans B, C, and D record present conditions and possible improvements in typical houses. These show that most of the houses lend themselves to a provision of decent sanitary conditions with almost no structural changes.

It is proposed to retain the basement arrangements and to continue the existing kitchen facilities (with such replacement and repair as may be necessary) in the lower stories of about all the dwellings, which would help meet the existing demand for two-

room suites with housekeeping possibilities. A few of these suites may be rented to resident housekeepers or others on the operating staff.

Some "side rooms", too small to rent as separate sleeping rooms, have been planned to be used as alcoves or dressing rooms in conjunction with a larger room adjoining.

Shown on the several "Typical Floor Plans", there are in the area 72 houses having ten rooms (See Plan B), 44 buildings of similar plans having 13 or 14 rooms (See Plan C) and 16 buildings of larger size, having 15 or 16 rooms (See Plan D). Each one of these sets of illustrations shows all the floor plans of its type, as reconditioned for rental. Outside fire escapes according to present law are included in the estimates of cost. The details of the possible income from the various types are shown in Table IX.

Plan A shows a possible arrangement which would include all the improvements above discussed. Other patterns could of course be worked out to be perhaps equally effective and no two blocks need to be treated exactly alike.

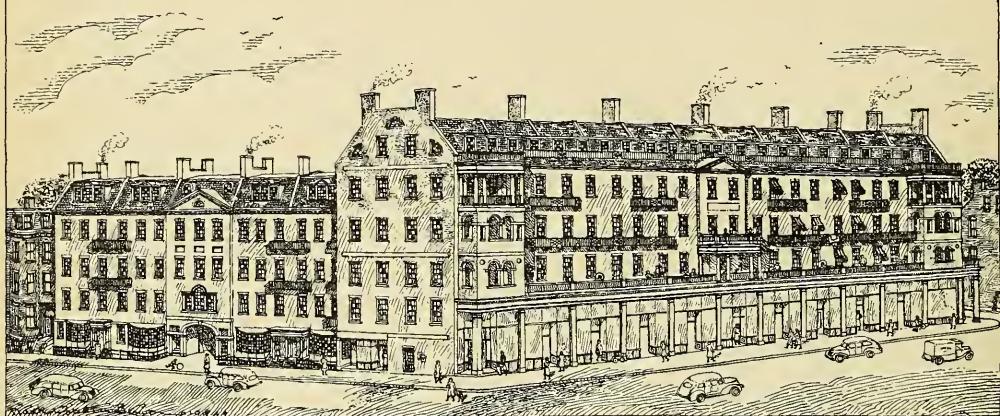
The chosen pattern was carried into considerable detail, however, not shown in the report but used to enable the careful calculation of all the costs entailed.

An Alternative Suggestion for more Complete Reconditioning.

An alternative study, showing a quite different and more complete reconditioning of the area surrounding Taylor Street, is presented in Plan E (indicated as f or "Area Q").

This alternative example covers a portion of the same area as the project just described, but includes also one of the more im-

TAYLOR COURT APARTMENT GROUP Q, FRONTS ON MILFORD STREET & SHAWMUT AVENUE, SOUTH END
BOSTON CITY PLANNING BOARD REHABILITATION STUDY

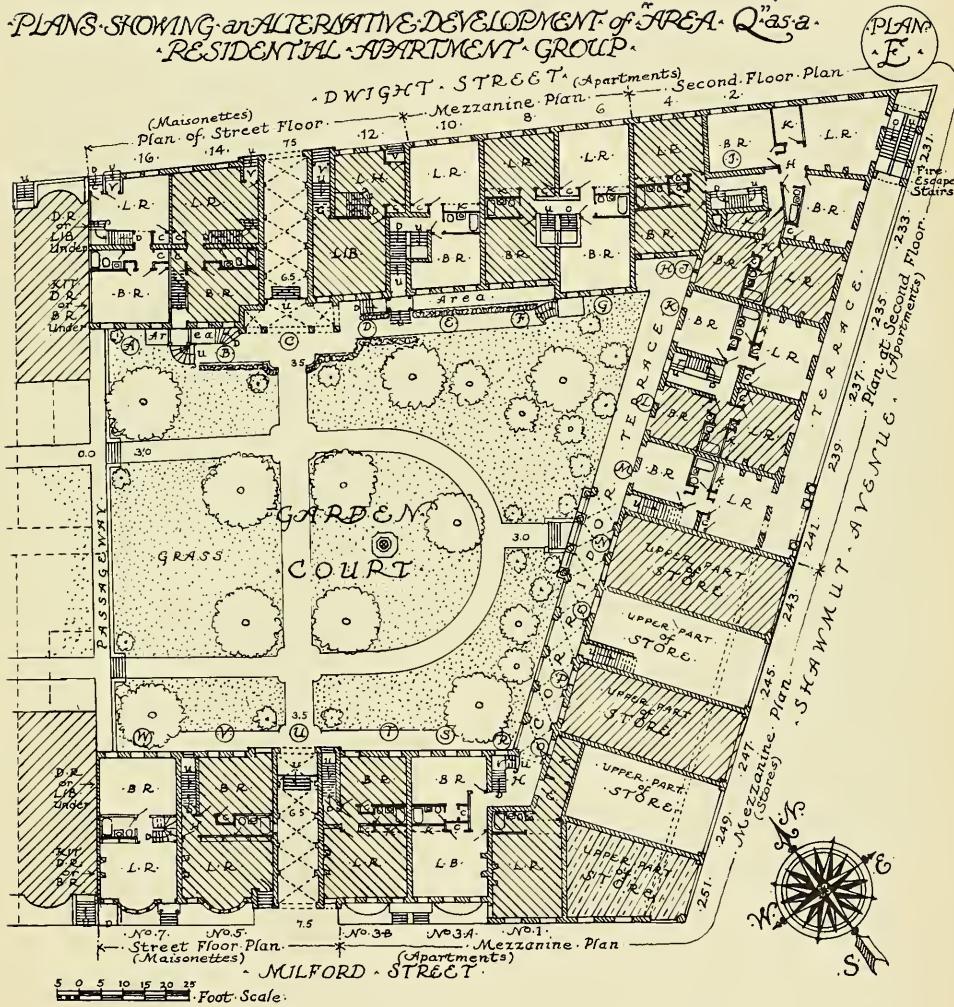


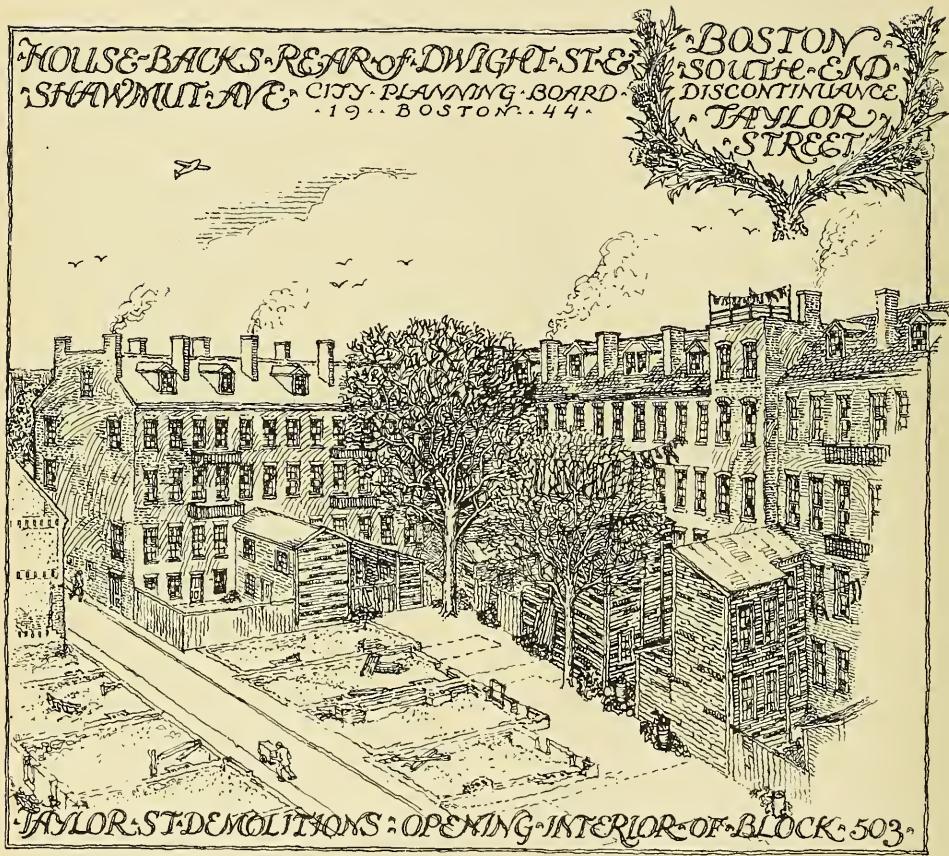
PERSPECTIVE 2. AREA Q. EXTERIOR FACADES. ALTERNATIVE SCHEME
portant business street frontages which has not before been con-
sidered.

Its standard of "rehabilitation" so nearly approaches the cost of reconstruction that it might be deemed advisable to undertake in its place a completely new building scheme. However, in its present guise, it can be usefully compared with the proposed treatment of the Project Area, and at least it retains all existing lot lines and uses the existing masonry party or other walls while encasing the buildings in a new and much improved interior and exterior appearance.

The greatly increased cost of this type of improvement is, in part, caused by the removal of the old house entrances from the business frontage, thus allowing a wider and better business use of the store fronts, while bringing the entrances to the living quarters to the quieter and more attractive outlook on the Garden Court. It also is planned to include fully fireproof

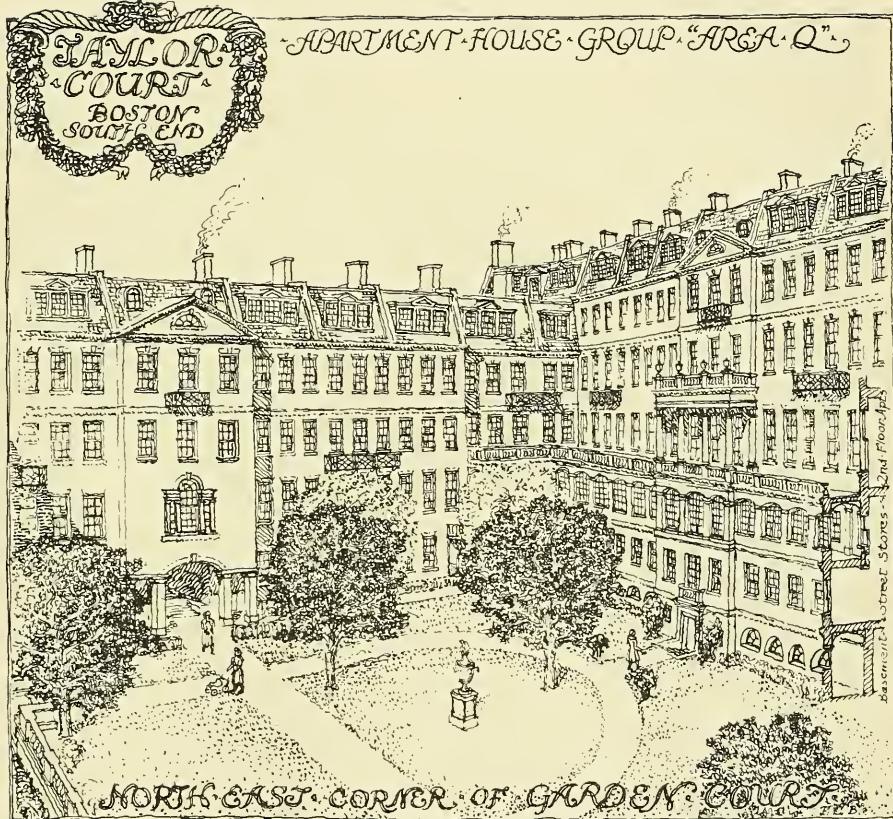
PLANS SHOWING AN ALTERNATIVE DEVELOPMENT OF "AREA Q" AS A
RESIDENTIAL APARTMENT GROUP.





PERSPECTIVE 3. AREA Q. BACK YARDS. DWIGHT STREET HOUSES

April 22, 1944.



PERSPECTIVE 4. AREA Q. INTERIOR COURTYARD. ALTERNATIVE DESIGN

staircases, inclosed within brick walls, and thus meet the requirements of modern safety and building regulations.

The cost of such improvements means, of course, a considerable increase of cost per person housed over the decent minimum that has been held in mind as the working standard for the study previously made for the rest of the area, but it is believed that even in this neighborhood there will be enough people to fill the relatively small amount of such accommodation provided at the rents here proposed, and perhaps to encourage other such developments in the neighborhood. The question remains, however, whether the redevelopment agency could afford so expensive an effort, even granting its relatively small size and its "advertising" advantages.

Table XIII, (page 65), shows the significant figures of the alternative study together with the main differences between this alternative and the proposals for the Project Area.

Organization for construction and management.

It is not believed to be possible that the proposed plan, or any plan comprehensive and efficient, can be carried out by the diverse actions of separate owners, nor indeed by the undirected uncomelled cooperation of all the owners. Some machinery must be set up, producing a result financially satisfactory to the great majority of the owners and equitable to every one of them, whereby the commonly desired improvements may be effected by a commonly accepted single agency.

This report discusses a number of procedures, chooses one which seems to offer the greatest sum of net advantages, and calculates in some detail its financial aspects.

There is given in full in the appendix, with a brief discussion later in this report, a copy of an Act to authorize the redevelopment of decadent areas by Housing Corporations, which was passed by the Legislature July 23, 1945. It contains most of the provisions of the bill appearing in the report of 1943, but in a different arrangement and with some important changes to make it more acceptable to private capital.

Project Owned and Operated by Corporation.

In accordance with this Act it is here proposed as an example of present possibilities that an Urban Redevelopment Corporation purchase the project area, by agreement or where necessary by condemnation, and improve it and the buildings upon it, and manage it, all in such a way that at the end of twenty-seven years and seven months its stockholders will have amortized their borrowings with interest, paid themselves dividends on their equity, paid state and local taxes according to the Act, paid Federal Corporation taxes at the present high rate, and will then own the property. It would be still subject to all the restrictions of the Act until the end of 40 years, and to rent restrictions and some other restrictions indefinitely, but it would still have value enough to return the Corporation's equity with a considerable capital gain.

The figures now to be discussed are set up, as far as practicable, in the same form as those in the previous report, for ease of comparison. They show the financial effects of the project on the Redevelopment Corporation and also on the City.

EXPENSE AND INCOME TO THE REDEVELOPMENT CORPORATION

The right of condemnation given by the Act may well prove to be essential to the reasonably economical assembly of the land. This right is granted on the basis that the project is in the public interest by rehabilitating blighted areas and therefore certain specifications as to use and management, and restrictions as to dividends must be applied by some public agency, to ensure that the public purpose is in truth served.

The restrictions, especially that of dividends to 6% cumulative, may be thought of as a diminution of profits, but if these restrictions are reasonable they may lead to the most profitable long-time policy to the Developer, and such policy must in any case be insisted on by the City. There is, moreover, provision for the correction of any real injustices which may at any time prove to exist. At any rate no special reduction in the final capital gain is here made to allow for the fact that the property remains restricted.

The possible tax abatement, whether or not availed of at first is still a factor of safety, since unless profits are more than a cumulative 6% on the corporation's stock the tax abatement comes into play as in this case. No monetary value is given herein to this factor of safety. Nevertheless there is a real difference between procedure and final results under the proposed law and procedure without this law.

The figures of cost and income to the Corporation which are, with the parallel figures for the City, the financial upshot of this report, are best set forth in tabular form.

TABLE IV
REHABILITATION STUDIES

SUMMARY OF EXISTING AND PROPOSED AREAS AND ASSESSED VALUES FOR TAXATION
IN THE DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.

September, 1943.

| EXISTING | | | EXISTING TAX EXEMPT | | |
|-------------------------|---------------------------|------------------|---|------------------|--------|
| | Area | Value | | Area | Value |
| GROSS Tax Exempt | 270,989 s.f. -74,006 " | \$642,240 - 0 | Streets and Pub. Alleys | 74,006 s.f. — | 0 — |
| NET | 196,983 " | \$642,240 | | | |
| PROPOSED | | | PROPOSED TAX EXEMPT | | |
| | Area | Value | | Area | Value |
| GROSS Tax Exempt | 270,989 s.f. -70,906 " | \$729,924 - 0 | Streets and Pub. Alleys | 70,906 s.f. — | 0 — |
| NET | 200,083 " | \$729,924 | | | |
| NET INCREASE IN VALUE | | | NET SUBSIDY IN TAXES | | |
| Proposed Value | \$729,924 | | Net Increased Value | \$87,684 | |
| Existing " | \$642,240 | | Present Tax Rate per Dollar | .041 | |
| Net Increase | \$87,684 | | Net Subsidy per Year | \$3,595 | |
| | | | VALUE OF BUILDINGS PROPOSED TO BE REMOVED | | |
| Existing Gross Value | \$642,240 | | Area "C" | \$18,000 | |
| Val. Bldgs. Removed | -\$22,717 | | Ells to be Removed | \$2,679 | |
| | \$619,523 | | Bldgs. On Site of New Alleys | \$2,038 | |
| | | | Val. Bldgs. Removed, TOTAL | \$22,717 | |
| | | | VALUE OF NEW CONSTRUCTION = 80% of COST | | |
| Value of New Constr. | \$107,394 | | Remodelled Bldgs. Cap. Impr. | \$58,080 | |
| | | | New Garages | \$21,600 | |
| | | | Rear Yards, Cap. Impr. | \$27,714 | |
| | | | Value of New Constr. TOTAL | \$107,394 | |
| | | | VALUE OF ABANDONED STREETS (For Residential Use) | | |
| Value of Abandoned Sts. | \$3,007 | | TOTAL | \$3,007 | |
| PROPOSED GROSS VALUE | \$729,924 | | | | |

Tables IV, V, VI and VII refer to the form of project considered in this report to be the best for the area considered, namely acquisition, reconditioning and management of all the property by a Rehabilitation Corporation. Other alternatives are also later considered herein, in summary form.

Table IV shows the present assessed values for real estate tax purposes together with the various modifications made to serve the proposed uses, and the corresponding changes in tax-assessed values. This table does not affect the calculations in this report, since taxes are assumed to be "frozen", but it does show the relatively small subsidy from frozen taxes in this case.

Table V is part of the financial statement of the Redevelopment Corporation, and contains, set up in such a way as to be related to the other tables and plans picturing the present state of the area, an estimate of the capital costs of acquiring the real estate and reconditioning the land and buildings.

Table VI sets forth the ensuing annual costs for the project, both direct annual expenditures and the annual financing of initial capital expenditures.

Table VII shows the annual income to the Redevelopment Corporation, being an estimate of the rentals which might be expected to be received from the area if it were reconditioned for the population and rental range assumed for the project. A comparison of the totals of Tables VI and VII is, therefore, a test of the attractiveness of these plans and business arrangements from the point of view of the Redevelopment Corporation not including any

ultimate capital gains, and granting, of course, the soundness of the many assumptions as to units of cost and income at the unknown future date of the project.

Table VIII sets forth a summary of the present and proposed population of the area, assessed value, capital cost, cost per capita, annual cost and income and (1) the annual profit or loss for the project, (2) the annual cost of the proposed playground, and (3) the valuation of a proposed addition to the present school grounds.

Table IX shows a detailed tabulation of total proposed house rentals in the Project Area.

From Tables VI, VII, and VIII, it appears that in 27 years and 7 months the Corporation can:

- (1) Amortize its borrowing of 80% of the capital costs, i.e. excluding upkeep, replacement of furnishings, etc., with interest and insurance.
- (2) Pay "frozen" taxes according to the new law.
- (3) Pay 4% interest to its stockholders on their holdings of the rest of the initial cost.
- (4) Earn a "current profit" to stockholders of \$4358 per year, which in effect would increase their dividends from 4% to 5.9%.

At the end of 27 years and 7 months, then, the Corporation comes into 100% ownership of the project, free and clear of all debts, but still subject to such restrictions as the State Housing Board, after public hearing, considers at that time still necessary to protect the public interest, for which purpose the project is created. At the end of 40 years at least one important restriction lapses, namely that on profits.

TABLE V

REHABILITATION STUDIES

COST OF RECONDITIONING PROJECT TO PRIVATE CORPORATION
DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.

September 1, 1943.

| A. COST OF LAND AND BUILDINGS | | BOUGHT | | 1942 Values | |
|--|------------------|-----------------------------------|-----------------------|---|-----------------------|
| | 1 | 2 | 3 | 4 | 5 |
| OWNED BY CITY | AREA SQ.FT. | TAX ASSESSED VALUE | | ESTIMATED PRICE TO PRIVATE CORPORATION | |
| | | LAND | BUILDINGS | LAND | BUILDINGS |
| STREETS, NET AREA Abandoned by City | 3,100 | 0 | 0 | 0 | 0 |
| TAX FORECLOSED: Land With Occupied Bldgs. " " Vacant " | 5,676 0 | \$5,500 0 | \$14,300 0 | \$5,500 | \$14,300 |
| OWNED BY INDIVIDUALS | | | | | |
| BUSINESS AND INDUSTRY: Land With Occupied Bldgs. " " Vacant " | 626 0 | \$816 0 | \$1,634 0 | \$816 | \$1,634 |
| RESIDENCE: Land With Occupied Bldgs. " " Vacant " | 178,604 5,126 | \$180,686 \$4,700 | \$423,804 \$10,800 | \$179,361 \$4,525 | \$419,629 \$10,475 |
| PRIVATE ALLEYS | 6,951 | (Cost Included Under Residence) | | | |
| OWNED BY BANKS | | | | | |
| Land With Occupied Bldgs. " " Vacant " | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 |
| TOTALS | 200,083 | \$191,702 | \$450,538 | \$190,202 | \$446,038 |
| A. TOTAL (Col. 4 + 5) = \$636,240 | | | | | |
| B. COST OF RECONDITIONING BLDGS. | | | | \$236,600 | |
| " " NEW GARAGES | | | | \$27,000 | |
| " " IMPROVING GROUNDS | | | | \$34,642 | |
| C. PROFESSIONAL FEES (Realtor, Lawyer, Planner, Architect, Engineer, etc.) | | | | \$24,553 | \$322,795 |
| D. SUB TOTAL OF A + B + C COST OF LAND AND BLDGS. | | | | | \$959,035 |
| E. FINANCING DURING CONSTRUCTION | | | | | |
| <u>Taxes</u> On All Land and Bldgs. Bought, At Present Rate = \$636,240 @ \$41 per thousand per yr. for $\frac{3}{8}$ yr. | | | | = \$19,564 | |
| <u>Interest</u> On "A", \$636,240 @ 6% per yr. for $\frac{3}{8}$ yr. | | | | = \$28,630 | |
| Construction Loan On New Work: "B" + "C" \$322,795 @ 6% per yr. for $\frac{3}{8}$ yr. | | | | = \$7,263 | \$55,457 |
| F. CAPITAL COST (Purchase and Reconditioning) | | | | | \$1,014,492 |
| G. " " (Furnishing and Equipping) | | | | | \$156,045 |
| H. TOTAL INITIAL COST | | | | | \$1,170,537 |

TABLE VI

REHABILITATION STUDIES
ANNUAL COSTS OF PROJECT TO PRIVATE CORPORATION
DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.
September, 1943.

| | |
|--|--|
| A. FINANCING OF TOTAL CAPITAL COST, PER YEAR. | |
| FIRST LOAN, For 27 yrs., 7 mos. = 80% of \$1,170,537 = \$936,430. | |
| Total annual average payment incl. int., ins., amort., mortg. ins.,-(at \$5.42 per \$1,000 per mo.) | = \$52,786 |
| Equity = \$1,170,537 - \$936,430 = \$234,107 | |
| Dividends on equity, \$234,107 @ 4% | = <u>\$9,364</u> |
| | SUB-TOTAL = \$62,150 |
| B. MAINTENANCE AND MANAGEMENT | |
| ADMINISTRATION - Salaries and Office Supplies | = \$10,620 |
| OPERATING STAFF - Salaries | = \$110,360 |
| REPLACEMENTS - Household Linen, Equipment, Laundry | = \$29,590 |
| REPAIRS - Material | = \$19,100 |
| FUEL AND UTILITY SERVICE | = \$59,350 |
| INSURANCE - Fire and Liability | = <u>\$ 2,100</u> |
| | \$231,120 |
| C. TAXES, State and Local, at rate received for last 3 yrs. | = \$26,332 |
| D. TOTAL ANNUAL COSTS | <u> </u> \$319,602 |

TABLE VII

REHABILITATION STUDIES
ANNUAL INCOME FROM PROJECT TO PRIVATE CORPORATION
DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.
September, 1943.

| | |
|---|------------------|
| A. PRESENT BUILDINGS - RECONDITIONED RESIDENCES | |
| 10 Room Buildings - 72 | |
| 18 @ \$40 per week = \$720 | |
| 15 @ \$42 " " = \$630 | |
| 22 @ \$44 " " = \$968 | |
| 17 @ \$46 " " = <u>\$782</u> | \$3,100 |
| 13 Room Buildings - 23 | |
| 12 @ \$55 per week = \$660 | |
| 11 @ \$57 " " = <u>\$627</u> | \$1,287 |
| 14 Room Buildings - 21 | |
| 8 @ \$57 per week = \$456 | |
| 5 @ \$59 " " = \$295 | |
| 8 @ \$61 " " = <u>\$488</u> | \$1,239 |
| 16 Room Buildings - 16 | |
| 7 @ \$63 per week = \$441 | |
| 9 @ \$65 " " = <u>\$585</u> | \$1,026 |
| | \$6,652 |
| B. NEW BUILDINGS | |
| 30 Garages (2 unit) @ \$4.00 per week | = \$120 |
| | \$6,772 |
| Less 8 % Vacancies = -\$542 | |
| Rept per week = \$6,230 | |
| TOTAL ANNUAL INCOME | year = \$323,960 |

TABLE VIII
REHABILITATION STUDIES
TABLE SHOWING EXISTING AND PROPOSED POPULATION, AREA, ASSESSED VALUES, CAPITAL AND ANNUAL COSTS
DWIGHT-HANSON ST. AREA, BOSTON, MASS.
September, 1943.

| DWIGHT-HANSON STREET AREA | SECTION | POPULATION | | AREA | | TAX ASSESSED VALUATION | | TOTAL CAPITAL COST | | COST PER CAPITA | ANNUAL | | | |
|------------------------------|--------------------------------|------------|----------|---------|-----------|------------------------|-----------|--------------------|---------------------------------|--------------------|-----------|-----------|--------|--|
| | | EXISTING | PROPOSED | SQ.PT. | LAND | BLDG. | LAND | BLDG. | Including Land And Buildings | | COST | INCOME | PROFIT | |
| | | | | | | | | | 8 | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| PROJECT AREA SEE PLAN A | RECONDITIONED AREAS A, B, C | 1530 | 1506 | 200,083 | \$191,702 | \$450,538 | \$222,423 | \$507,501 | \$1,170,537 | \$777.00 | \$319,602 | \$323,960 | 4,358 | |
| OUTSIDE PROJECT AREA | PROPOSED PLAYGROUND | 313 | 0 | 69,874 | \$58,922 | \$89,962 | \$76,782 | \$8,000 | \$212,674 | * \$56.26 | \$14,314* | | | |
| | PROPOSED SCHOOL GROUNDS | 0 | 0 | 8,397 | \$10,000 | \$50,000 | \$11,806 | \$50,000 | \$61,805 | | | | | |

* Based on an estimated population of 3780 for area served.

**Annual Cost would be \$14,314 per year for 25 years, after which there would be only

a "maintenance and upkeep cost" of approximately \$4,000 per year.

TABLE IX
REHABILITATION STUDIES
DETAILED TABULATION OF PROPOSED ROCKING HOUSE INCOME
DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.
September, 1943.

| AREA | NAME OF STREET | TOTAL HOUSES | ROOMS PER HOUSE | | | | RENT PER WEEK PER HOUSE | ANNUAL RENT PER HOUSE | TOTAL ANNUAL RENT | VACANCIES 8% | TOTAL ANNUAL INCOME | TOTAL ROOMS | AVE. ROOM RENT PER WEEK * |
|-----------------|---------------------------|-----------------|-----------------|----|----|----|----------------------------|--------------------------|----------------------|-----------------|------------------------|-------------|------------------------------|
| | | | 10 | 11 | 12 | 14 | | | | | | | |
| A | DWIGHT ST. NORTH SIDE | | 18 | 12 | | | \$40.00 | \$2,080 | \$37,440 | \$2,995 | \$34,445 | 180 | \$4.00 |
| | TOTAL "A" AREA | 30 | 18 | 12 | 0 | 0 | \$55.00 | \$2,860 | \$34,320 | \$2,746 | \$31,574 | 156 | \$4.23 |
| | | | | | | | | | \$71,760 | \$5,741 | \$66,019 | 336 | \$4.11 |
| B | DWIGHT ST. SOUTH SIDE | | 9 | 11 | | | \$42.00 | \$2,184 | \$19,656 | \$1,572 | \$18,084 | 90 | \$4.20 |
| | MILFORD ST. NORTH SIDE | | 6 | | 8 | | \$42.00 | \$2,184 | \$13,104 | \$1,048 | \$12,056 | 60 | \$4.20 |
| | | | | | 7 | | \$57.00 | \$2,964 | \$23,712 | \$1,897 | \$21,815 | 112 | \$4.07 |
| | | | | | | | \$65.00 | \$3,276 | \$22,932 | \$1,834 | \$21,098 | 112 | \$3.94 |
| | MILFORD ST. SOUTH SIDE | | 14 | | 5 | | \$44.00 | \$2,288 | \$32,032 | \$2,562 | \$29,470 | 140 | \$4.40 |
| | HANSON ST. NORTH SIDE | | 10 | | 5 | 2 | \$59.00 | \$3,068 | \$15,340 | \$1,227 | \$14,113 | 70 | \$4.21 |
| | | | | | | | \$61.00 | \$3,172 | \$23,920 | \$1,914 | \$22,006 | 100 | \$4.60 |
| | | | | | | | \$65.00 | \$3,380 | \$15,860 | \$1,269 | \$14,591 | 70 | \$4.36 |
| | HANSON ST. SOUTH SIDE | | 7 | | 2 | | \$46.00 | \$2,352 | \$16,744 | \$1,340 | \$15,404 | 70 | \$4.60 |
| | | | | | | | \$61.00 | \$3,172 | \$6,760 | \$6,344 | \$5,586 | 28 | \$4.36 |
| | WALTHAM ST. NORTH SIDE | | | | 1 | | \$61.00 | \$3,172 | \$3,172 | \$254 | \$2,918 | 14 | \$4.36 |
| | | | | | | | \$65.00 | \$3,380 | \$23,660 | \$1,893 | \$21,767 | 112 | \$4.06 |
| TOTAL "B" AREA | 94 | 46 | 11 | 21 | 16 | | | | \$255,840 | \$20,467 | \$255,373 | 1153 | \$4.27 |
| TAYLOR ST. AREA | 8 | 8 | 0 | 0 | 0 | | \$44.00 | \$2,288 | \$18,304 | \$1,464 | \$18,840 | 80 | \$4.40 |
| GRAND TOTALS | 132 | 72 | 23 | 21 | 16 | | | | \$345,904 | \$27,672 | \$318,232 | 1569 | \$4.24 |

Rents of Small Rooms Vary From \$2.50 to \$3.50 per week.

" Large " " " \$3.50 to \$5.50 " "

Average Rent per Room per Week = \$4.24 (Vacancy % not deducted).

" " " " Year = \$220.46 (" " " ").

Income From Garages Not Included in Above Figures.

*Column (5) ÷ by Column (8) × 52 = Column (9).

On the basis that the buildings will be at first effectively reconditioned and then kept in good condition and repair throughout the 27 years and 7 months' period, it is assumed that the value of the project at the end of the amortization period is equal to the value of the property at the time of purchase by the Corporation. Subtracting from this the value of the stock, the net capital gain made by the Corporation is then \$402,133 as shown on Table XI. Prorating this as earned annually during 27 7/12 years, the stock earns 12.1% per year, but half of this depends on events far in the future.

So far, these figures do not deal with Federal Corporate income tax. For this tax the annual "net profit" would presumably be considered as the dividends, \$9,364, plus the "current profit" of \$4,358, or \$13,722, and plus the annual capital gain of \$14,579, making a total net taxable income of \$28,301. Until war-time taxes are reduced, the Federal tax on this would be about 40%, leaving as "take home" dividends and profits only \$16,981 or a little over 6% on the investment. The above figures are a great simplification of a complicated calculation but are close enough for our present purposes.

Plainly if other available investment opportunities equally safe are more promising, as will presumably be the case, rehabilitation will be accomplished only by greater financial encouragement, by city, state or nation, whether by tax reduction or more direct subsidy.

An Alternative. Project Leased and Operated by Corporation.

An obvious alternative would be that the Corporation lease the property instead of purchasing it. This was worked out as to prof-

it and loss, but found to be less desirable. The main figures follow.

It is first assumed that the Rehabilitation Corporation can take control of all the property in the Project Area by leasing it from its present owners. Under the assumed conditions of the lease the present owners will be relieved of all responsibility in so far as taxes, water charges, insurance, repairs and all other aspects of the improvement, maintenance and management of the area are concerned. These obligations would all be assumed by the Corporation, which would then have the same rights, aside from holding title, as it would have as owner. The cost of leasing the property can then be substituted in our calculations for the cost of purchase, - all other costs being identical.

The following is an estimate of the average rentals which might be paid by the Corporation to the owners for the types of buildings indicated, if the cost of the usual obligations to pay taxes, insure the property, pay water bills, make all repairs, etc., would be the same to the Corporation that they are to the present owners.

Single houses and rooming houses now produce an average rental of \$60.00 per month per house, paid by the occupant of a single house to its owner, or by the landlady of a rooming house to its owner.

Apartment houses now produce an average rental of \$80.00 per month per house, being the total of rents of apartments now paid by apartment tenants to the owner.

Based upon those figures the annual rental paid by the Corporation for the entire Project Area would be calculated as follows:

| | | |
|----------------------------------|---------------|------------|
| 9 Single and 115 Rooming Houses; | 124 Buildings | |
| | @ \$60.00 | \$7,440.00 |

| | | |
|---|-------------|---------------|
| 8 Apartment Houses, of 4 Apartments each, | @ | |
| | \$80.00 per | |
| | building | <u>640.00</u> |

| | |
|------------------|------------|
| Rent per month = | \$8,080.00 |
|------------------|------------|

| | | |
|------------------------------------|---|-------------|
| <u>A. Total Annual Gross Rents</u> | = | \$96,960.00 |
|------------------------------------|---|-------------|

If this annual rental cost is reduced, however, by the amounts of the annual real estate taxes, taken at their present assessed values and tax rate, plus the estimated annual charges for fire and liability insurance, plus the cost of upkeep, the remainder would represent a reasonable net rental to the owners from the Corporation if the Corporation assumes all these annual expenses, which are now paid by the owners.

| | |
|---|-------------|
| Annual taxes on Present Assessed Value (\$642,240.00 @ \$41.00 per thousand) | \$26,332.00 |
|---|-------------|

| | |
|---|----------|
| Annual Charges for Fire and Liability Insurance | 2,075.00 |
|---|----------|

| | |
|--|------------------|
| Annual Estimated Cost of Upkeep to present owners. (at \$200.00 per building) | <u>26,400.00</u> |
|--|------------------|

| | |
|--|---------------|
| <u>B. Total</u> - Estimated Present Annual Cost to owners for above items | = \$54,807.00 |
|--|---------------|

C. Item A minus Item B leaves a remainder of \$42,153.00, an annual rental which could be paid by the Corporation to the owners on the above assumptions. This would equal approximately a monthly cost of \$3,513.00, which would cover the average payment to the owners by the Corporation for the 124 Single and Rooming houses of \$26.00 per month each, and for the 8 apartment houses of \$35.00 per month each.

Comparative annual cost figures, set up on the same basis, for the project if the property were purchased, or alternatively if it

were leased, would be as follows, on the assumption that the rent to the owner could be financed as easily as the purchase price.

| <u>Purchased</u> | <u>Leased</u> |
|--|--|
| Annual cost (including amortization) of purchase over 27 7/12 years | = \$33,781 Annual rent to owner relieving him of all annual charges = \$42,153 |
| Annual cost (including amortization) of improvement over 27 7/12 years | = \$28,369 = \$28,369 |
| Maintenance and Management | = \$231,120 = \$231,120 |
| Taxes | = \$26,332 (Frozen) |
| Total annual outgo | <hr/> \$319,602 <hr/> \$331,570 |
| Earned Capital Gain annually for 27 7/12 years | \$ 14,579 0 |
| Rents | <hr/> 323,960 <hr/> 323,960 |
| Net annual <u>gain</u> | <hr/> \$ 18,937 Net annual <u>loss</u> <hr/> \$ 7,610 |

The difference between these two alternatives is found in three items. The annual cost of purchase is less than the annual rent, the frozen taxes on the purchase are less than full taxes on the rented property and the purchase produces a capital gain at the end of 27 7/12 years, which the leasing does not.

The comparison of these figures would differ in different cases, however, according to the ratio which existed at the time between market value of the property and current annual rent of the property. In this area this relation is now not entirely logical.

The rents are based on what tenants will pay at the present moment, and are high in relation to the present depreciated value of the structures.

The present rents are not affected, as the capital values are, by the fact that the structures and the neighborhood are rapidly deteriorating, and that future rents will be lower unless considerable capital expenditures are made.

The resident landladies, whether they are owners or whether they rent the whole house and sublet rooms, have by their tenancy of the whole house a certain security in a job of caretaking and management, which produces as a by-product rent and heat for the landlady at a low rate.

It is clear that in this admittedly "run down" rooming house area -- as is the case in most other similar areas in this and other closely built up cities -- the original cost of the structures themselves has long been lost to sight. As a matter of fact, they have already repaid that initial cost, in the 70 to 80 years of their existence, not only to their original builders, but probably also to two or more subsequent owners. This is reflected in the present (1943) very low assessed values of the property although even this assessment is still too high. Actual sales within this area generally run from 30 to 40 per cent below the range of the present assessed values. The houses sold are, however, of course those which are the lowest in price considering their value.

As a result of the above considerations, therefore, it would seem to be more to the interest of the Corporation to buy the property than to rent it.

EXPENSE AND INCOME TO THE CITY

Table X shows the effect of the project upon the City finances on the basis that the Corporation buys the property, taking advantage of the new law.

In the preparation of the figures showing the income and outgo for the City in reference to the project, among many sources of information, including the direct investigation and general records of the Planning Board the following were most important:

1. The Highway Division, the Sewer Division and the Water Division of the Public Works Department of the City, as to existing facilities, their present condition, and conceivable costs of similar structures.
2. The records of the School Department.
3. The records of the Park Department.
4. The City Real Estate Division, as to property now held by the City, having been taken for taxes.
5. The Savings Banks Association as to property now held by banks on foreclosed mortgages.
6. The records of the Assessing Department as to the assessed value of all the separate parcels of property.
7. The Real Property Inventory, prepared by the Planning Board, as to the kind and condition of the buildings.
8. The Income and Cost Survey of the City of Boston, prepared by the Planning Board, showing an allocation of the total costs and income of the City to the various Federal Census districts according to a series of items determined by a consistent procedure which took into account assessed value, taxes and fees

TABLE X

REHABILITATION STUDIES

COMPARISON OF INCOME AND COST TO THE CITY AS AFFECTION BY THE SAMPLE AREA
DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.

September, 1943.

| CITY SERVICES | A | B | C | D |
|--|---------------------------|---------------------------|--------------------|-------------------------------|
| | PRESENT COSTS | PROPOSED COSTS | SAVINGS Col.A-B | INCREASED COSTS Col.B-A |
| 1. COUNTY COURTS TOTAL SERVICE RENDERED ASSESSED VALUE | \$6,611 6,279 332 | \$5,939 5,562 377 | \$672 | |
| 2. DEBTS & GEN. PURPOSES " SERVICE RENDERED ASSESSED VALUE | \$4,317 4,317 | \$4,906 4,906 | | \$589 |
| 3. FIRE DEPARTMENT TOTAL SERVICE RENDERED ASSESSED VALUE | \$4,343 3,021 1,322 | \$3,981 2,379 1,502 | \$462 | |
| 4. HEALTH DEPARTMENT " SERVICE RENDERED ASSESSED VALUE | \$1,094 957 137 | \$862 706 156 | \$232 | |
| 5. HOSPITAL DEPARTMENT " SERVICE RENDERED ASSESSED VALUE | \$17,932 17,600 332 | \$13,370 12,993 377 | \$4,562 | |
| 6. INSTITUTIONS DEPT. " SERVICE RENDERED ASSESSED VALUE | \$7,639 7,535 104 | \$5,691 5,563 118 | \$1,958 | |
| 7. LIBRARY DEPARTMENT " SERVICE RENDERED ASSESSED VALUE | \$456 456 | \$518 518 | | \$62 |
| 8. PARK DEPARTMENT TOTAL SERVICE RENDERED ASSESSED VALUE | \$553 553 | \$628 628 | | \$75 |
| 9. POLICE DEPARTMENT TOTAL SERVICE RENDERED ASSESSED VALUE | \$4,452 3,097 1,355 | \$3,978 2,438 1,540 | \$474 | |
| 10. PUBLIC WORKS DEPT. " SERVICE RENDERED ASSESSED VALUE | \$12,871 12,244 627 | \$12,765 12,052 713 | \$106 | |
| 11. SCHOOL DEPARTMENT " SERVICE RENDERED ASSESSED VALUE | \$18,122 18,122 | \$17,837 17,837 | \$285 | |
| 12. PUBLIC WELFARE DEPT. " SERVICE RENDERED ASSESSED VALUE | \$66,186 66,063 123 | \$55,412 55,272 140 | \$10,774 | |
| 13. SOLDIERS' RELIEF DEPT. " SERVICE RENDERED ASSESSED VALUE | \$1,613 1,525 88 | \$1,376 1,276 100 | \$237 | |
| 14. TOTAL COST | \$146,189 | \$127,153 | \$19,762 | \$726 |
| 15. " INCOME* | 28,725 | 35,877 | | |
| 16. NET COST | 117,464 | 91,276 | | |
| 17. TOTAL NET SAVING | Col.A - B = | 26,198 | | |
| 18. COST PER CAPITA | \$76.77 | \$60.61 | | |

Figures Under Columns A, B, C, and D are PER ANNUM.
Unlike Table XI in Volume II, there are no outside savings or losses caused by the Project.

*From Taxes, Fees and Licenses. There is no change in the amount of taxes received (\$26,332). See also Table XI.

received, population and, on the basis of these facts, the service of the City (1) to persons and (2) to property.

These various figures were originally collected from different points of view, at different times, and with reference to different units of area.

Much calculation and some assumption was necessary to make the figures apply to the area of the Project and to a date of common reference. The total mass of figures is too voluminous for inclusion in the present report. Table X is a summary statement.

The itemized headings 1 to 13 in the left-hand column are those of the Income and Cost report, and the figures in Column A are adapted from that report, showing the City Costs for the Project Area in 1943. Column B shows the estimated costs if the project were carried out. Column C shows the savings caused by the Project and Column D the greater outgo caused by the Project. Item 15 shows the total income, present and proposed. The table thus shows a net saving to the City of \$22,593 per year.

Table XI is a summary of the project costs, showing income and outgo to the City, to the Redevelopment Corporation and to both as representing the whole community in respect to the project.

All the figures employed above are based upon the payment to the owners of a "fair value" of all the real estate required to make up the entire area of the Project, as well as the payment by the Corporation of all taxes to the City in accordance with the Urban Redevelopment Corporation Bill incorporated in this report as it works out in relation to the alternatives chosen herein, and to the Federal Corporation taxes.

TABLE XI
REHABILITATION STUDIES

SUMMARY- COMPARISON OF CITY AND CORPORATION ANNUAL INCOME AND COSTS
DWIGHT-HANSON ST. PROJECT AREA, BOSTON, MASS.
September, 1943.

| | |
|--|-----------|
| A. CITY, PRESENT | |
| 1. OUT-GO FOR SITE | \$146,189 |
| 2. INCOME FROM SITE | 28,725 |
| 3. LOSS | 117,464 |
| B. CITY, PROPOSED | |
| 4. OUT-GO FOR SITE | \$127,153 |
| 5. INCOME FROM SITE | 32,282 |
| 6. LOSS | 94,871 |
| 7. DIMINUTION OF LOSS (3 - 6) | 22,593 |
| C. CORPORATION, PROPOSED | |
| 8. OUT-GO CURRENT ANNUAL (incl.dividend) | \$319,602 |
| 9. INCOME " " | 323,960 |
| 10.PROFIT | 4,358 |
| 11.ANUAL CAPITAL GAIN: | 14,579 |
| 12.ANUAL PROFIT** (not incl. dividends, before Federal Tax) | 18,937 |
| 13.ANUAL PROFIT (not incl. dividends, after Federal Tax) | 7,617 |
| D. CITY AND CORPORATION | |
| 14.PROFIT & DIMINUTION OF LOSS (Item 7 + Item 13). | \$30,210 |

*Value of Property as bought

Land \$190,202

Bldgs. 446,038 (not incl. \$322,795 spent on
improvements written off as
depreciation during 27 yrs.
7 mos.)

Total \$636,240

Equity returned to stockholders \$234,107
Capital gain 402,133 in 27 yrs.7 mos.
or 14,579 per year

**Annual Dividends \$9,364

Profit 4,358

Current An.Profit \$13,722

Capital " Gain 14,579

Total Tax.Profit \$28,301

(Before Fed.Corp.

Inc.Tax)

40% Tax 11,320

Inc.after 40%Tax \$16,981

Dividends \$9,364

Corp.Income not

incl.dividends \$7,617

So it may be said that the total profit or loss to all concerned shown by these estimated figures is a reasonable picture of the value of the Project so far as it can be measured in dollars and cents. As to the amount of the social values and betterments involved, not measurable financially, no one can deny that they would be great, - and since, after all, such values are in total what the City was created to preserve and increase, they are, therefore, within budgetary limits, a proper object for the expenditure of community funds and the extension of civic credit. The indication from these calculations should be faced, however, that part of this community help must go in some form to the Redevelopment Corporation, in greater probable profit or in greater security of investment, if private capital is to be forthcoming. And the more reconstruction is involved in the project, the less is likely to be the profit, as appears in Table XII.

APPROPRIATE TYPE AND LOCATION OF REDEVELOPMENT PROJECTS

The choice of appropriate places for redevelopment projects is more than a question of local profit or even of local betterment. It is a matter of comprehensive city-wide planning. Before the project should be undertaken at all, certain general questions should be answered. Among them are the following.

Should the neighborhood continue in residential use? At its present rental level? At its present population density and character? If all this is desirable for broad reasons, still is the neighborhood large enough to maintain this character for its

TABLE XII
REHABILITATION STUDIES
COMPARATIVE FIGURES ON "PROJECT AREA" vs. ALTERNATIVE STUDY "AREA Q"
DWIGHT-HANSON ST. AREA, BOSTON, MASS.
September, 1943.

| | PROJECT AREA New Garages Omitted | | | APARTMENT BLOCK Alternative Area "Q" | | |
|--|--|-----------|-----------------------|---|-----------|-------------------------|
| | TOTAL | PER BLDG. | PER ROOM Furnished | TOTAL | PER BLDG. | PER ROOM Unfurnished |
| A. CAPITAL COST | \$1,142,931 | \$8,651 | \$728 | \$499,230 | \$20,801 | \$1,974 |
| B. ANNUAL COST Incl. Maintenance and Management | \$318,165 | \$2,410 | \$203 | \$57,611 | \$2,400 | \$246 |
| C. ANNUAL INCOME Rental Receipts | \$318,232 | \$2,411 | \$203 | \$59,174 | \$2,466 | \$253 |
| D. CURRENT ANNUAL GAIN * | \$67 | 50¢ gain | 4¢ gain | \$1,563 | \$66 | \$7 |
| | TOTAL NET GAIN New Garages Included | | | TOTAL NET GAIN | | |
| E. GAIN (\$4,358 x 27 7/12 yrs.) | \$120,207 | | | \$39,075 | | |
| F. CAPITAL GAIN** at end of 27 7/12 yrs. | \$402,133 | | | \$11,754 | | |
| G. CAPITAL GAIN Average Annual (F ÷ 27 7/12) | \$14,579 | | | \$470 | | |

* Does not include specified 4% return on Corporation's investment.

**GAIN assumed to be present valuation of Land and Buildings minus Corporation's construction investment (= 20% capital cost of purchase and reconditioning).

| | Cost of Garages | Financing of Garages |
|---------------------------|--|--|
| A = \$1,170,537 - | \$27,000 - | during Construction -\$606 = \$1,142,931 |
| B = \$319,602 - | Financing of Amort. of Garages - \$1,437 | = \$318,165 |
| D = \$318,232 - \$318,165 | = \$67 Gain | |

economic life, or will predictable incongruous abutting developments sooner overwhelm it?

There should be, in all this fitting of new or rejuvenated housing to appropriate site, careful thought as to how long the investment will be appropriate in its place. Reconstruction means long continuance of the new use. Also it can mean a wide change from the old use. Reconditioning means effective continuation of the old use, and according to the time which this old use has still to run, and the time that the saveable part of the structures can still endure, this reconditioning may vary roughly between the limits of minor repairs on the one hand, and something verging on reconstruction on the other.

As time goes on, all housing passes through a cycle of construction - upkeep - repair - deterioration - obsolescence - destruction - and again construction.

Each neighborhood has a best range of cost and kind of service within which this inevitable cycle should take place. If the best use of the area is residence for a certain rental range, then - before the deterioration goes so far as to cause some other (and less desirable) use - neighborhood-wide rehabilitation or reconstruction should be put in motion.

If at this point the original use is still the best future use, or if the future use is uncertain and much value still remains in the structures, then rehabilitation should pay by extending this potential use for the economic life of the improvements, at least. If, however, a changed use is called for at once by the comprehensive plan, then reconstruction for this changed use will pay

better, because the long period of its amortization will be a period of demand for the new use.

If the structures are worthless, then reconstruction on a new plan is presumably the only possible improvement, whatever the proposed new use may be.

This careful prediction of the probable best use of a given location is not only a part of the service of the Planning Board to the City as a whole, but also a service to the private interests thinking of making investments in the area. The Planning Board should be a competent judge of trends of use, having the most comprehensive data before it.

REDEVELOPMENT LEGISLATION

Legislation Proposed in the Previous Report. The Urban Redevelopment Corporation Bill presented in the 1943 report was prepared by a Sub-Committee of the Advisory Committee on Community Rehabilitation, cooperating with the Boston City Planning Board. The members of this Sub-Committee brought to their task long practical experience in real estate, finance, housing, planning and other aspects of urban redevelopment. This Bill was submitted not as a complete ideal solution of any specific local problem, but as a practical procedure which would work out in a considerable number of chosen cases, and which would bring to bear on each problem the planning thought of the local community together with the financial requirements of the Redevelopment Corporation, and the general supervision of the State which gives the corporation its existence and its powers. This bill,

together with other proposals for the same general purpose, failed of passage by the Legislature in 1943.

Bill Incorporated in the Present Report. The bill which appears in the appendix of the present report contains the great bulk of the provisions of the bill previously proposed, but several provisions have been changed to meet objections voiced against the first bill, and the arrangement of the material has been greatly changed to make it clearer, more explicit, and more easily comparable with other proposed legislation. This bill is the result of a year's further study and experience and criticism. It was carefully discussed by representatives of the Boston City Planning Board with representatives of the Governor's Recess Commission on Rehabilitation of 1943, and of the present Massachusetts State Board of Housing, and the bill as it stands herein represents the concurrence of the conferees as being the most desirable bill to be submitted to the Legislature in the present state of thought on the subject. It was enacted without amendments.

The general discussion of the bill submitted in Volume II will not be repeated here. Certain of the bill's effects on Corporation profits, necessary to be understood in connection with cost calculation, have been already considered in this report.

Like the previous bill this has as its object the encouragement of private capital in housing, while at the same time ensuring that the public help given to what legally must be a public purpose is used by the Corporation in furtherance of a real public purpose, and not for unreasonable private profit.

The important changes in substance between the previously proposed bill and the present are the following:

Before, the Corporation could go on indefinitely under the provisions of the bill, partly relieved of taxes, perhaps making changes in requirements as approved by the Massachusetts State Board of Housing, but always subject to rent ceilings and limited dividends. It could sell its property to another Corporation acceptable to the Board but only under restrictions required by the Board, and if it dissolved, any surplus earnings over the value of the stock plus a cumulative 6% reverted to the State.

In the present bill, the Corporation may also go on indefinitely but after 40 years, if it has lived up to its undertaking with the Board, it becomes as any other corporation, and may dissolve, having sold the property, which would be still subject however to restrictions as to the height, number of stories, size, location and use of buildings and size and location of open spaces. The rents would be still restricted and the property still could not be subdivided. There is, however, after 40 years, no restriction as to profits and no reversion to the State and, therefore, there is, then at least, some capital gain to the Corporation. It is the presence or possibility of this capital gain which for the first time makes the calculation of profit and loss in some of these projects attractive. It must be remembered, however, that this gain is on the further side of thirty or forty unpredictable years, and that, therefore, to be attractive, a project must show also at least a modest annual profit on the way to the goal.

A P P E N D I X

(CHAP. 654)

AN ACT TO AUTHORIZE THE REDEVELOPMENT OF DECADENT AREAS BY HOUSING CORPORATIONS.

Be it enacted, etc., as follows:

SECTION 1. The General Laws are hereby amended by inserting after chapter one hundred and twenty-one, as appearing in the Tercentenary Edition, the following new chapter:-

CHAPTER 121A.

URBAN REDEVELOPMENT CORPORATIONS.

Section 1. The following words, wherever used in this chapter, shall, unless a different meaning clearly appears from the context, have the following meanings:-

"Housing board" or "board", the state board of housing established under section seventeen of chapter eighteen.

"Project", any undertaking to demolish, clear away or remove obsolete or dilapidated buildings, and to erect new buildings upon the site of such buildings or upon vacant land; or to rehabilitate existing buildings or to accomplish both purposes. If more than one area is included in a project, the areas so included shall be so closely adjacent as to be capable of treatment as a unit. The location of a project may include buildings not in themselves insanitary, deteriorated or obsolete, if the inclusion of such buildings is deemed by the housing board necessary for the effective clearance, replanning, reconstruction or rehabilitation of the area in which such buildings are situated. "Project" shall include both the act of undertaking the enterprise and the land and buildings included therein.

"Zoning ordinance or by-law", an ordinance or by-law adopted under authority of sections twenty-five to thirty B, inclusive, of chapter forty, and any special statute establishing zoning regulations in one or more cities, towns or districts.

"Decadent area", an area in which many of the buildings are out of repair, physically deteriorated or obsolete or to a large extent vacant, or in which much of the real estate has in recent years been sold or taken for non-payment of taxes or upon foreclosure of mortgages, or in which many buildings have been torn down and not replaced and in which under existing conditions it is improbable that the buildings will be replaced or repaired, and in which any of the foregoing conditions are growing worse and values are declining, so that there is a large body of land substantially useless in its existing condition.

Section 2. It is hereby declared that areas exist in certain cities and towns of this commonwealth wherein dwellings predominate which by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation or any combination of these factors, are unfit for human habitation, and that the existence of these areas is detrimental to the public safety, health or morals; that other areas exist which are decadent to such an extent as to have become social and economic liabilities to the community; that other areas exist which by reason of inappropriate subdivision, the removal of means of transportation or a change in business or economic practices or other like causes have become incapable of beneficial use or development by private enterprise under existing law; that from time to time one or more large areas are devastated by fire, flood, explosion or other calamity, and by reason of the size and shape of the parcels of land and the location of the streets and other public utilities within and adjacent to the area, cannot be restored by private enterprise under existing law without perpetuating conditions unfavorable to the public health, safety, convenience and welfare; that in many of the areas above described the owners of the several parcels of land within the area are affected by the unfavorable conditions in a similar way, but cannot agree upon a method of putting their property to its most beneficial use; that a public exigency exists which makes the reclamation, restoration and rehabilitation of such areas a public use and benefit for which private property may be acquired by eminent domain or regulated by wholesome and reasonable orders, laws and directions for the good and welfare of this commonwealth.

Section 3. Three or more persons may associate themselves by written agreement of association, in a form furnished or approved by the commissioner of corporations and taxation, with intent to form a corporation for the purpose of carrying out a project authorized and approved, or to be authorized and approved by the housing board. No such corporation shall undertake more than one project. Such project shall consist of (a) the acquisition of one or more areas wherein dwellings predominate which by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health or morals, or one or more areas which are decadent to such an extent as to have become a social or economic liability to the community; or one or more areas which by reason of inappropriate subdivision, the removal of means of transportation or a change in business and economic practices or other like cause have become incapable of beneficial use or development by private enterprise under existing law; or one or more areas in which a large number of the buildings have been destroyed by fire, flood, explosion or other calamity; (b) the demolition or rehabilitation of the buildings thereon; and (c) the provision thereon, or adjacent thereto, either by construction or rehabilitation, of decent, safe and sanitary dwellings to be developed and administered so as to promote serviceability, efficiency, economy and stability, together with appurtenant facilities. Such appurtenant facilities shall include such use for business, commercial, cultural or recreational purposes, related to the project

as may be approved by the housing board as best serving the public interest. The area or areas included in a project shall be of sufficient size to make the carrying out of the project a public use and benefit.

The laws relative to corporations organized under and subject to chapter one hundred and fifty-six, except section seven of said chapter, so far as consistent with the provisions of this chapter and rules and regulations made under authority thereof, shall apply to corporations so formed; provided, that no stock shall be issued without par value; and corporations so formed are hereby declared to be instrumentalities of the commonwealth.

Section 4. The housing board may make, and from time to time amend, reasonable rules and regulations in regard to the procedure for securing the approval of projects under this chapter and for the financing, construction, management and maintenance of such projects. The housing board may, for the guidance of the proponents of a project, fix general standards to which the plans of such a project shall conform. Variations from such standards may be allowed for the accomplishment of the purposes of this chapter. Such standards may contain provisions more restrictive than those imposed by applicable planning, zoning, health and building laws, ordinances, by-laws and regulations.

Section 5. The persons who have executed an agreement of association under section three shall, before presenting the agreement of association to the state secretary for filing, submit to the housing board an application for its approval of the project for the carrying out of which the corporation is sought to be formed and its consent to the formation of such corporation. Such application shall specify the location of the proposed project and shall state the reasons why the project is necessary or desirable, the uses to which the project is to be put, the estimated cost of the project, and the amount of capital which it is intended to raise. Such application shall also contain in general terms a description of the buildings, structures or facilities which it is proposed to furnish, and shall be accompanied by a site plan and typical building plan and typical elevations of the proposed buildings or structures.

Section 6. Whenever the housing board is asked to approve the formation of a corporation under section three, it shall transmit the application to the mayor of the city, or the selectmen of the town, in which the proposed project is located, and the mayor or the selectmen, as the case may be, shall request the planning board of such city or town, if there is any such board, to make a report on such application. Such planning board shall, after a public hearing, of which reasonable notice shall be given, determine whether the proposed project conflicts with the master plan of the city or town made by authority of chapter forty-one, if such a plan has been made, whether the site of the proposed project is within one of the areas in which, in the opinion of the planning board, large scale redevelopment in behalf of the public health, safety and morals and the general welfare is most war-

ranted, and whether the proposed project would be in any way detrimental to the best interests of the public or the city or town or to the public safety and convenience, or inconsistent with the most suitable development of the city or town.

If the carrying out of a project will involve the destruction or rehabilitation of buildings occupied in whole or in part as dwellings, such planning board shall determine whether in its opinion there will be dwelling accommodations at substantially similar rentals to which the occupants of such dwellings may move without undue hardship, and unless it finds that there will be such accommodations it shall not approve the project. Such planning board shall submit to the mayor or the selectmen a report which shall be open to public inspection, approving or disapproving the project, together with its reasons for approval or disapproval. The mayor or the selectmen shall transmit the report of the planning board to the housing board together with his or their approval or disapproval of the project. If there is no planning board in such city or town, the hearing herein prescribed shall be held and the report made by the mayor or the selectmen.

The housing board, if it receives a certificate evidencing the approval of the mayor or the selectmen, and of the planning board, if any, and if it finds that the conditions exist which warrant the carrying out of the project and that in its opinion the cost of the project has been correctly estimated and the project will be practicable, and that the construction and use of the project will not be in contravention of any zoning, subdivision, health or building ordinances or by-laws or rules and regulations of the city or town, or of any municipal board, in effect in the location of the proposed project, or of the standards fixed by the board under section four, shall issue a certificate that it approves the project and consents to the formation of a corporation to carry it out. The agreement of association shall not be presented to the state secretary for filing, nor shall he file it, unless it is accompanied by such certificate. If the housing board disapproves the project it shall state its objections in writing and may suggest changes in the project, or in the plans therefor, which, if adopted, would meet its objections. If the persons so associated determine to proceed in accordance with the changes suggested, they shall amend their application accordingly and submit the application as amended to the housing board for its approval. The housing board may approve or disapprove such application as amended, unless in its opinion the proposed change is a fundamental one. In such case the housing board shall transmit the application as amended to the mayor of the city or the selectmen of the town in which the project is to be located, and the provisions of this section in respect to original applications shall be applicable thereto.

Section 7. No more than such proportion of the estimated cost of a project, not exceeding eighty per cent thereof, as the housing board shall approve, shall be raised by borrowing the same, and the remainder of such estimated cost and such addition-

al capital as the housing board has required or approved, unless provided by grants or gifts, shall be raised by subscription to or sale of the capital stock of the corporation. No such corporation shall enter upon the construction of a project until the full amount to be paid for its capital stock as above determined has been deposited in its treasury in cash or in property as hereinafter provided. The stock of such a corporation shall first be offered to the owners of the real estate within the location of the project and each owner may subscribe to said stock in an amount not in excess of the value less encumbrances of his real estate within such location and may pay his subscription by a deed of his said real estate, to be held in escrow by the housing board until the full amount of the capital has been raised. The valuation of said real estate for the purposes of this section shall be determined by agreement, subject to the approval of the housing board, and if the parties cannot agree upon the valuation, it shall be determined by the housing board. If the owner is dissatisfied with the amount so offered, his deed shall be returned to him, and his subscription shall be cancelled, but his right to subscribe to the stock in cash if he so elects and his right to recover the value of his land in the appropriate proceedings if taken by eminent domain by the corporation shall not be impaired by his action under this section.

So much of the stock as has not been subscribed for by the owners of the real estate within thirty days after it has been offered to them shall be issued to the persons who signed the agreement of association, in proportion to but not in excess of their respective subscriptions and any remaining stock shall be offered to the general public. All of the capital stock of the corporation shall carry with it the same rights and privileges.

The stocks, bonds and other securities of such corporations shall, subject to the approval of the commissioner of insurance, be legal investments for the capital and other funds of insurance companies, and the bonds and notes of such a corporation, when secured by a first mortgage upon its real estate shall, subject to the approval of the commissioner of banks and, in the case of savings banks, of the directors of Mutual Savings Central Fund, Inc., be legal investments for the deposits and the income derived therefrom of savings banks and the savings departments of trust companies and for the trust funds of trust companies.

Section 8. The construction of all buildings upon a project shall be inspected by competent persons chosen by the housing board, to the extent necessary to make certain that such construction is in conformity with the application as approved by the housing board. Every such corporation shall be deemed to have been organized to serve a public purpose, and shall remain at all times subject to reasonable rules and regulations of the housing board. All real estate acquired by any such corporation and all structures erected by it shall be deemed to be acquired or erected for the purpose of promoting the public health, safety and welfare and shall be subject to the provisions of this chapter.

If the housing board shall find that a corporation has violated any of the provisions of this chapter or the requirements of the board thereunder with respect to the construction and financing of a project, or to the payments therefor, or that the rules and regulations of the board have not been complied with, or that a project is not maintained in such a way as to carry out the purpose for which it was designed, or that strip or waste caused by unreasonable use or abuse of the buildings, structures or facilities thereon exist, it shall notify the holders of any mortgages, or mortgage bonds thereon, or the trustee, if any, for the bondholders, and it may institute a proceeding in equity in its own name for the purpose of preventing, or requiring, as the case may be, by injunction or otherwise, any such act or failure or omission to act. The remedies provided in this section shall be in addition to and not in substitution for any other available remedies.

Section 9. Except as provided in section sixteen, the stockholders of every such corporation shall be deemed, when they subscribe to and receive the stock thereof, to have agreed that they shall at no time receive or accept from the corporation, in repayment of their investment in its stock, any sums in excess of the par value of the stock, together with cumulative dividends at the rate of six per centum per annum. No stockholder in any such corporation shall receive any dividend in any one year in excess of six per centum per annum, except that when in any prior year or years dividends in the amount authorized to be paid by such corporation shall not have been paid in full on the said stock, the stockholders shall be entitled to receive the payment of so much of such deficiency, without interest, out of any surplus earned in any succeeding year, as the directors of the corporation shall determine. Nothing in this section shall be applicable to the payment of dividends out of profits from the sale of the capital assets of the corporation.

Section 10. The real estate and personal property of any such corporation shall for a period of forty years after its organization be exempt from taxation under chapter fifty-nine. During such period every such corporation shall in lieu of such taxes, but subject to the provisions of section fifteen, pay annually to the commonwealth with respect to its corporate existence at any time within the preceding calendar year an excise equal to the sum of the following: namely, an amount equal to five per cent of its gross income in such year, from all sources, and an amount equal to ten dollars per thousand upon the fair cash value of the real estate and tangible personal property of such corporation, as of January first in the taxable year, to be determined by the assessors of the city or town in which the project is located and subject to abatement and appeal as in the case of city or town taxes; provided that such excise shall not in any year be less than an amount equal to that which the city or town would receive for taxes, at the rate for such year, upon the average of the assessed values of the real estate held by such corporation for the three years last preceding the acquisition thereof. While the provisions of this section are in effect, such corporation shall pay no other excise under chapter sixty-three.

All provisions of chapter sixty-three relative to the assessment, collection, payment, abatement, verification and administration of taxes, including penalties, applicable to domestic business corporations, as defined in section thirty of said chapter, shall be applicable to taxes under this section. Said tax shall be distributed, credited and paid to the city or town of the commonwealth where the project of the corporation is located.

Section 11. Any such corporation may lease land or may acquire land in fee, by gift or purchase, or, with the approval of the housing board, may take land by eminent domain under chapter seventy-nine for projects approved under section six hereof; provided, however, that the award of damages under section seven of said chapter seventy-nine shall be made by the housing board, and, subject to rules and regulations of the housing board, any such corporation may hold, improve, subdivide, build upon, lease, manage and care for such land and any buildings thereon.

Any such corporation may, with the approval of the housing board, institute proceedings for the taking of land for its project under chapter eighty A, and the directors of such corporation shall be deemed the board of officers authorized to proceed under said chapter; and the provisions of said chapter shall, so far as apt, apply to proceedings so instituted; but such directors shall have no power to assess betterments.

Any such corporation shall have power, with the approval of the housing board, to sell the whole or any part of the land acquired by it under this section with the buildings or other structures thereon to another corporation, but such land, buildings or other structures may be sold only subject to the requirement that any change in the benefits and restrictions applicable to such other corporation and any other changes in the project shall not be valid unless approved in the manner provided in section six.

Section 12. Any such corporation shall have power to receive loans and grants from the federal government or any agency or instrumentality thereof or from any other source, public or private, or to act as agent of or to co-operate with the federal government or any agency or instrumentality thereof on any project of the kind or character authorized by section three; provided that nothing in this section shall operate to impair the powers and duties of the housing board with respect to any such corporation or any project operated by it. Any such corporation shall also have power, subject to the provisions of section seven, to borrow money and to issue bonds, notes and other evidences of indebtedness and to secure the same by the mortgage of its property or the pledge of its revenues, and to do whatever is necessary or convenient to carry out and effectuate the provisions of this chapter.

Section 13. Any such corporation may apply to the housing board for leave to change the type and character of the buildings on a project. The housing board may approve such application, un-

less in its opinion the proposed change is a fundamental one, in which case the provisions of section five, so far as apt, shall apply to an application for such change. The housing board shall in such case transmit the application to the mayor of the city or the selectmen of the town in which the project is located, and the provisions of section six in regard to the powers and duties of planning boards, and of the mayor or the selectmen with respect to original applications for approval, shall be applicable to their action thereon. The housing board, if it receives a certificate evidencing the approval of the application by the mayor or the selectmen, and if it finds that the proposed change will be in the interest of the health, safety or general welfare of the city or town and that the proposed use is authorized by section three, may approve such application, and the corporation may act in accordance with such approval.

Section 14. Any such corporation may enter into a contract with the city or town in which its project has been authorized, or with the appropriate board or officer of such city or town or such board or officer may enter into a contract with such a corporation, by which such city, town, board or officer obligates itself or himself to do any or all of the following things:
(a) lay out and construct, alter, relocate, change the grade of, make specific repairs upon or discontinue, public ways and construct sidewalks, adjacent to or through a project, if such action is found to be required by the common necessity and convenience; (b) cause parks, playgrounds or schools, or water, sewer or drainage facilities, or any other public improvements which it is otherwise authorized to undertake, to be laid out, constructed or furnished adjacent to or in connection with a project; (c) cause private ways, sidewalks, footpaths, ways for vehicular travel, playgrounds, or water, sewer or drainage facilities and similar improvements, to be constructed or furnished within the site of a project for the particular use of a project or of those dwelling therein.

If any city or town or a corporation wholly owned or controlled by such city or town has acquired or is about to acquire real estate by purchase or eminent domain for purposes of urban redevelopment or similar purposes, such city or town or such corporation, may enter into a contract with a corporation organized under section three for the purchase, sale, lease or exchange of real estate held by either of the parties to such contract, in order to more effectively carry out the provisions of this chapter.

A contract under this section between a city or town or a corporation wholly owned or controlled by a city or town, and a corporation organized under section three, shall not be subject to any provision of law relating to publication or to advertising for bids. The construction of a project under this chapter shall be subject to the provisions of sections twenty-six to twenty-seven D, inclusive, of chapter one hundred and forty-nine.

Section 15. Should the gross receipts of any such corporation from the operation of a project undertaken by it under authority

of this chapter, in any year exceed (a) operating and maintenance expenses, (b) taxes and fees (c) interest on mortgages and other indebtedness, (d) dividends, (e) authorized transfer to surplus, and (f) amortization, the amount remaining shall be applied to the payment to the city or town in which the project is located of the amount, if any, by which the taxes which would have been assessed upon the real estate and tangible personal property of the corporation in such year if such real estate and tangible personal property had not been exempt from taxation, exceeded the excise paid by such corporation and distributed to such city or town in such year under section ten.

The balance, if any, may, subject to the approval of the housing board, be applied in whole or in part to reducing the indebtedness of such corporation, to renovating or to improving the property, as by installing additional facilities for the use of tenants, to the acquisition and development of additional property which shall be subject to the same control and regulation as the original project.

The charges for operation and maintenance may include insurance and reserves essential to the management of the property or necessary to meet requirements for depreciation and amortization of bonded indebtedness, but the amount set aside therefor shall be subject to the approval of the housing board. Nothing in this chapter shall be construed to obligate the commonwealth, or to pledge its credit, to any payment whatsoever to any such corporation or to any stockholder, bondholder or creditor thereof.

Section 16. Notwithstanding any other provisions of this chapter, if a corporation organized under section three has carried out its obligations and performed its duties as imposed by this chapter for forty years from the date of its organization to the satisfaction of the housing board, as evidenced by a certificate transmitted by the board to the commissioner of corporations and taxation, it shall thereafter have all of the rights and privileges of a corporation organized under or subject to chapter one hundred and fifty-six and be subject to all of the obligations and duties of such a corporation, and such corporation, and its stockholders shall thereafter be free from all of the special limitations, restrictions, obligations and duties imposed upon corporations organized under section three and the stockholders thereof; provided, however, there shall be no change in the standards imposed upon the project with respect to the height, number of stories and size of the buildings and other structures thereon, the percentage of land which may be occupied by buildings, the size and location of open spaces, the location and use of the buildings, and the rents charged to the occupants thereof, and the project shall not be divided into separate parcels, unless such change or division is approved in the manner provided in section six.

Section 17. If any such corporation becomes financially unable to meet its obligations or to maintain its project in such a way as to carry out the purpose for which the corporation was organized, the superior court of the county in which the project is

located shall have jurisdiction, in accordance with its general equity powers, upon the petition of the housing board, or of any three stockholders or creditors of the corporation, to appoint the housing board receiver of the corporation. If so appointed the housing board shall endeavor to work out a plan of readjustment, refinancing or reorganization, with due recognition of the priority of the rights of the respective lien holders, creditors and other persons interested in the property of or in claims against the corporation, which will enable such corporation to carry out the purpose for which the project was designed, either in accordance with the original plan, or through a change in the type and character of the buildings thereon in accordance with section thirteen. If however in the opinion of the housing board it has become impossible to carry out such purpose authorized by this chapter, the housing board shall issue an order directing that the corporation be dissolved, its assets be sold and its liabilities be paid, in the order of their priority, so far as funds are available, and the purchaser of the real estate and other assets of the corporation upon such sale shall have a clear and unencumbered title thereto, free from any of the restrictions and limitations imposed by this chapter. In either event, the order of the housing board, before taking effect, shall be submitted to the court for confirmation, and the decree of the court confirming such order shall be final and conclusive upon all parties. If the court does not confirm such order, it shall refer the matter back to the housing board with instructions to proceed further in the matter as the court may direct. If the court shall find that the corporation was not organized, or the project was not constructed, operated or maintained, in good faith, with the intent to carry out the purposes of this chapter, it shall make such decree as justice and equity may require; but the rights of persons who have in good faith invested in the securities of or extended credit to the corporation shall not thereby be impaired.

Section 18. An insurance company incorporated under the laws of the commonwealth or authorized to transact business in the commonwealth, instead of investing its funds in the stocks, bonds and other securities of a corporation organized under section three, may with the approval of the commissioner of insurance, itself undertake one or more projects under this chapter, and the provisions of this chapter, specifically including the powers granted by section eleven, shall, so far as apt, be applicable to such company and such projects, excepting the following:

(a) Only so much of section three as relates to the character of the projects undertaken shall be applicable; but if an insurance company undertakes more than one project, the accounts for each project shall be kept separately, and the income of one project shall not be expended upon or for the benefit of another project.

(b) The application for the approval of a project shall be submitted by the directors of the insurance company and an application so submitted shall be subject to all of the provisions of

this chapter relative to applications by the persons who have executed an agreement of association.

(c) So much of section six as relates to the agreement of association shall not be applicable to such company.

(d) Section seven shall not be applicable to such company.

(e) So much of section eight as provides that "Every such corporation shall be deemed to have been organized to serve a public purpose" shall be construed to mean "Every such project shall be deemed to have been undertaken to serve a public purpose."

(f) Section nine shall not be applicable to such company; but such company shall not receive or accept for its general purposes as net income from a project any sum in excess of six per cent of the amount invested by it in such project for each year in which it owns or has owned the project. Nothing in this section shall be applicable to the payment of dividends out of profits from the sale of the capital assets of the corporation.

(g) So much of section ten as applies to the taxation of a corporation organized under section three shall apply to an insurance company only with respect to a particular project or to particular projects, and such company shall remain subject to all other taxation imposed by law with respect to its other activities and property.

(h) So much of section fifteen as relates to reducing the indebtedness of a corporation shall apply only to indebtedness incurred in connection with a project.

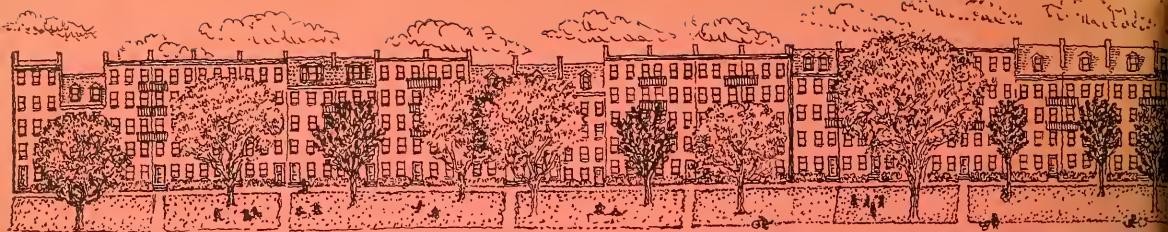
(i) So much of section sixteen as provides that under certain circumstances a corporation shall have all of the rights and privileges of a corporation organized or subject to chapter one hundred and fifty-six shall be construed to mean that an insurance company may under like circumstances lawfully continue to hold the project but shall in other respects be subject to all of the obligations and duties of an insurance company.

(j) The provisions of section seventeen shall not be applicable.

Section 19. The provisions of this chapter are hereby declared to be severable; and if any such provision, or the application of any such provision to any person or circumstance shall be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not be construed to affect the validity or constitutionality of any of the remaining provisions of said chapter or the application of such provision to persons or circumstances other than those to which it is held invalid. It is hereby declared to be the legislative intent that this chapter would have been adopted had such invalid or unconstitutional provision not been included therein.

SECTION 2. Sections twenty-six A to twenty-six H, inclusive, of chapter one hundred and twenty-one of the General Laws, as appearing in the Tercentenary Edition thereof, are hereby repealed; but nothing in this section shall affect the powers, rights, duties and obligations of any corporation organized under the provisions of said sections and in existence on the date when this act takes effect.

Approved July 23, 1945



Boston Public Library